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Friday, November 20, 1987

Kartika 29, 1909 (Saka)

LOK SABHA DEBATES

(English Version)

Ninth Session
(Eighth Lok Sabha)



26⁹/7/88

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[*Eighth Series, Volume XXXIII, Ninth Session, 1987/1909 (Saka)*]

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LOK SABHA DEBATES

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LOK SABHA

Friday, November 20, 1987/
Kartika 29, 1909 (Saka)

*The Loka Sabha met at Eleven of
the Clock*

[MR. DEPUTY-SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[English]

Shrimp Fishing

*210. SHRI D.P. JADEJA : Will the Minister of COMMERCE be pleased to state :

(a) the steps being taken to ensure that fishing boats under 100 per cent Export-Oriented Units do not fish for shrimp ;

(b) whether under the existing arrangement fishing boats under 100 per cent export units are allowed shrimp fishing ; and

(c) if so, how Government propose to reconcile such permission with the recorded depletion of shrimp resources ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) (a) to (c). Approvals for deep sea fishing under the scheme of 100% Export Oriented Units are granted taking into account the scope for introduction of vessels for different varieties of catch on the basis of technical estimates already carried out by the Ministry of Agriculture. Specific conditions are imposed in the approvals and in the clearance accorded for acquisition of the vessels to guard against the depletion of shrimp resources. These are :

(1) The licensee is required to furnish regularly the voyage report incor-

porating the type of fish caught to the Ministry of Agriculture.

(2) It is being specified in the approvals for acquisition of vessels that shrimp exports will be allowed only upto 3% of the catch by weight.

(3) Shrimping devices and outriggers are not permitted in the design and construction of the vessels.

Besides these measures, approvals are now being granted only for resource specific vessels and clearances to projects based on multipurpose fishing vessels is not being currently accorded.

SHRI D.P. JADEJA : Sir, only last week there was a similar question asked from the Ministry of Agriculture and the Minister informed the House that the total number of shrimping vessels that can operate on the Indian coast is not more than two hundred. Here we are being told that foreign companies are allowed to charter and have joint ventures for fishing in the Indian Ocean. If it is beyond 50 miles limits, I say, there is no harm but I would like to know these conditions which are put forward to all charterers and for deep sea fishing are they practical ? Is it possible to implement these things ? Is fishing an industry where you can go by actual measurement ? I say it is not possible. So I would like to know whether the Minister is satisfied with these conditions that have been put forward and will he see to it that no shrimping is done on the coastal region ? I would also like to know the number of companies that have been given approval for fishing in deep sea waters and the number of vessels owned by each company.

PROF. MADHU DANDAVATE : Sir, this glare which is coming will blur the vision of the Treasury Benches.

SHRI P.R. DAS MUNSI : We are not

afraid of the sunshine. The Opposition is afraid of the sunshine.

MR. DEPUTY-SPEAKER : Order, order.

SHRI P.R. DAS MUNSI : As the hon'ble Member has stated, the Technical Committee appointed by the Ministry of Agriculture in 1983 did visualise that largely about 202 vessels can operate for shrimp catching to exploit the entire shrimp resources on our coast. Thereafter the figure shows that 130 vessels are now plying for deep-sea fishing. Some of them were selected for tuna fishing. But most of them are for multi-purpose fishing.

For 100% export-oriented units, we have received 143 proposals which have been cleared. In the case of 114 units, we have given the approval for 240 vessels but only 8 vessels are operating. If you take the total strength, that is, 130 vessels of deep-sea fishing and 8 of 100% export-oriented fishing units, it comes to 138. Nevertheless the apprehension of the hon'ble Member is justified that we cannot allow in any manner reckless plying of the vessels in the zones where the shrimp resource is very limited. As a result of this, from 1984 onwards, the Minister of Agriculture literally put a ban on multi-purpose vessels and made a selective use of vessels for selective purpose, that is, for non-shrimp catching. Even in the case of those vessels used for catching the shrimps, we allow not more than 3% of the export in terms of vessels. We have already taken these precautionary measures and furthermore we are examining.

SHRI D.P. JADEJA : I appreciate the hon'ble Minister's views on preserving the resources of shrimp on the Indian coast. But as I asked him earlier also, I am still sure that this is not a practical solution because whoever goes in for deep-sea fishing, is primarily going in for shrimping. If he is not going for shrimping, he is not interested in the deep-sea fishing except the tuna fishes.

I appreciate that more and more tuna fishing companies should be brought into this country, more and more joint ventures and chartered vessels should be brought into this country which will go into the real deep-sea. Will the hon'ble Minister let us know whether they would be prepared to

bring in a ban for these foreign vessels to operate only beyond 50 miles and also not to operate at all where there is over-shrimping in this country ?

SHRI P.R. DAS MUNSI : As I stated earlier, the Minister of Agriculture has already imposed a ban on the multi-purpose vessels. Now, the vessels, which do not have outriggers, cannot catch shrimps without the outriggers. I will be very careful to see that such vessels which do not have outriggers are only allowed for the deep-sea fishing purpose or even for the 100% export-oriented units which are operating in this zone. Within 20 kilometres of the shore they cannot come in. That is the precise decision of ours. We have taken all possible care to see that this is not violated.

[Translation]

SHRI V. TULSIRAM : Mr. Deputy-Speaker, Sir, as asked earlier also I would like to know from the hon. Minister that when fishes are caught.....

SHRI GIRDHARI LAL VYAS : Small or big ?

SHRI V. TULSIRAM : There are small fishes in our area and big ones in your area.

Their number is declining gradually. Is the Government doing something to ensure that their number is maintained and they are available in adequate number to the fishermen so that the latter do not suffer any loss ?

Secondly, will the Government ensure that instead of foreign companies, our own people are allowed to catch shrimps ?

What are you going to do with regard to these two questions ?

SHRI P.R. DAS MUNSI : Mr. Deputy-Speaker, Sir, so far as fish catching is concerned, the Government extends a lot of help to those small fishermen who make use of organised boats and also in finding out foreign markets for exporting fish. So far as the question of foreign companies is concerned, cent per cent export oriented units under our joint ventures were being allowed to catch any kind of fish including shrimps. But now it has been decided that

they will be cautious in catching shrimps. The Government monitors their activities and calls for their reports to see whether they have caught any shrimps because it is not possible to control fish in the river. Hence even if they catch shrimps at any time, they are not allowed to export not more than 3 per cent in terms of weight. Now they have also become cautious about catching shrimps and make efforts to catch fishes of other kinds. The Government is watching it.

SHRI V. TULSIRAM : I would like to urge the hon. Minister to make arrangements to supply some shrimps to Shri Vyasa ji as and when they are caught.

THE MINISTER OF FINANCE AND COMMERCE (SHRI NARAYAN DATTA TIWARI) : Mr. Deputy-Speaker, Sir, in addition to what my hon. colleague has said I would like to inform that the Department of Agriculture has recently constituted a working group on 2-11-1987. The group is looking into the extent of territorial waters, the quantum of shrimps available there, the kinds of trawlers which can be used for catching shrimps and other kinds of fish, the action to be taken to regulate and control fishing and the definition of multi-purpose vessels engaged in fishing.

[English]

SHRI THAMPAN THOMAS : Sir, deep fishing of shrimps and prawns is mainly in the coastal areas of Mangalore, and Cochin, in Kerala, Karnataka and Andhra Pradesh. In those areas, shrimps are not available as they are available earlier. There are certain areas where they are available. Has the Government made any study of where it is available, to grow it, to catch it and then to export it? Some other problems which are concerning the fishermen in that area came to the Supreme Court recently, about the fishing areas in which they have to fish, demarcation, and other things. Has the Government made any concrete study of these problems or did anything to encourage the fishing of shrimps and prawns, to culture it and grow it?

SHRI P.R. DAS MUNSI : Sir, it is a fact that landing of shrimps in the nearby shores is really poor and declining for the last two years. Therefore, to increase the potentiality of the shrimps and the concrete

interest of the market for its availability in terms of size and quality, the Government has taken steps and I have replied in the House on many occasions. Many places have been selected for prawn farming programme, sweet water prawn farming programme and for a few hatcheries. One hatchery in Gopalpur is about to be completed and another coming up in Andhra Pradesh. We have asked the State Governments to find out the new areas for the brackish water prawn farming. I am very confident and I am saying this because in the last three months, the responses from the respective State Governments have been very encouraging. The area for shrimp landing is very poor and I hope we would be able to compensate it by new farms which are coming up.

Gems and Jewellery Export

*211. **SHRI HARIHAR SOREN :** Will the Minister of COMMERCE be pleased to state :

(a) whether Government propose to double the gems and jewellery export during the Seventh Plan ;

(b) if so, the different kinds of gems and jewellery being exported ;

(c) whether any formal proposal has been submitted by the Export Promotion Council to increase the export of gems and jewellery ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (d). A statement is given below.

Statement

(a) At the end of the 6th Five Year Plan, namely, 1984-85, exports of gem and jewellery amounted to about Rs. 1305 crores. At the end of 7th Five Year Plan, exports in this sector are expected to exceed twice the exports at the end of the Sixth Plan.

(b) The gems and jewellery items exported from India include diamonds, precious and semi-precious stones, pearls, gold jewellery, non-gold jewellery, synthetic stones.

(c) and (d). The Gem and Jewellery

Export Promotion Council is in constant dialogue with the Government for evolving measures to promote exports of gems and jewellery exports. Some of the specific proposals made by the Council in this regard include simplification of procedures, duty-free import of capital goods, relaxation in gold control provisions, increase in the level of bank finance, removal of Actual User condition in respect of diamond impost licences.

SHRI HARIHAR SOREN : Sir, I congratulate the Government for the remarkable performance in gems and jewellery. In the Seventh Five Year Plan, the export of gems and jewellery is expected to double the target. In this respect, I would like to know from the Government the steps proposed to be taken to give greater publicity insisting on designers from abroad, market survey, training of gems and jewellery manufacturers in this country so as to make more export in gems and jewellery.

SHRI P.R. DAS MUNSI : I am thankful to the hon. Member for his appreciation of the performance in the Gem and Jewellery Sector.

In so far as the designs, styles and fashion are concerned, these are changing quite frequently and in order to keep pace with the changing trends, the Gem and Jewellery Export Promotion Council has been very actively working on it and has been taking expert help also from abroad. Whatever assistance they are asking for this programme, we are trying to cooperate within our limits.

As regards training of people in this sector, our Indian Diamond Institute in Surat is training a number of youngsters in this field under many support programmes. They are quite active in this regard.

SHRI HARIHAR SOREN : It has been stated that gems and jewellery includes non-gold jewellery also. If so, we have in Cuttack a number of silver filigree works. That filigree has got a great demand in our country as well as abroad. Will the Minister be pleased to state whether he has taken any steps to develop and encourage that kind of jewellery in Cuttack, mainly the silver filigree for export purposes?

SHRI P.R. DAS MUNSI : In so far

as export of silver jewellery is concerned, the wider scope that we have is in the United States of America. As regards hon. Member's particular reference for export of Cuttack filigree items, I am not making any specific commitment on that, but I will refer the matter to the Gem and Jewellery Export Promotion Council to find out if they have already explored this and if not, they can go into it now.

SHRI AMAL DATTA : The figure given here is one of gross export. The country is really not interested in how much export is made if the import made for the purpose of making that export is higher than the export itself. What really is of interest is the value addition. Much of the input of the gems and jewellery industry consists of imported items. You said that you are expected to double the export of gems and jewellery item in the course of five years. What does it envisage in terms of value addition, that is increase of net export earnings.

Secondly, so far as input is concerned, much of it consists of diamonds, ninety percent of which comes from South Africa. Our increased export will mean our increased dependence on South Africa. I would like to know whether it is correct and whether it is not contrary to our protestations of boycotting South Africa.

SHRI P.R. DAS MUNSI : In so far as value addition is concerned, the hon. Member has rightly stated that in this sector, we are much more dependent on import and unless the value addition is substantial—the gross is not the important figure, the net is the important figure—it will not be of much advantage.

I would like to inform the hon. Member that in the year 1985-86, the actual gross export was Rs. 1507.94 crores, in which import was Rs. 1138.08 crores and the value addition was Rs. 369.86 crores. You will be glad to know that the figure of 1986-87 substantially improved in the sense that the export figure went up to Rs. 2132.27 crores, the import was Rs. 1525.35 crores and the value addition was Rs. 607 crores roughly. In the terminal year of the 7th Plan, we expect to exceed the target, double the 6th Plan terminal year target.

We feel that with the trend as it is now,

the value addition will be substantially higher than the present rate of the value addition growth. Now, so far as the dependence is concerned, we are importing raw diamonds which come from various countries, especially from the African countries and some of the third world countries. It is not correct that we are solely depending on one particular block or a group. So far as our policy towards South Africa is concerned, our stand is very clear and this has been vindicated many times by the Government the Prime Minister and the nation as a whole. We will not deviate from our stand so far as the trade and economic relations including in Gem and Jewellery market are concerned.

SHRI AMAL DATTA : But the 90 per cent of the world raw diamond is coming from South Africa.

SHRI P.R. DAS MUNSI : The share of South Africa in total productions of rough diamond has declined substantially. I am sorry the figures of the actual production in the respective countries is not with me. I can send it to the hon. Member and he can go through it. But it is true that there is a substantial decline in the percentage share of South Africa

SHRI K. RAMAMURTHY : Sir, I am glad to know that our jewellery export during the Seventh Plan period will be doubled. Government has recognised that the labour is also contributing equal part particularly in the Export Promotion Council. Yesterday the Finance Minister announced the DA instalment to the Government employees. I am sorry to point out that the Export Promotion Council including the Gem and Jewellery Export Promotion Council employees are denied of their DA instalment which is due from 1-7-86. So, I would like to know whether the Minister will direct this Council to pay the DA instalment to the employees which is due to them since 1-7-86 ?

SHRI P.R. DAS MUNSI : The hon. Member's question is not very much related to the main question. The main question was regarding the jewellery. The Member has already discussed the matter with me. I am examining the matter with my Department.

With regard to Shri Amal Datta's ques-

tion, I would like to make one point clear. I have just now checked up that as far as the South Africa is concerned Government of India is not having any transaction with them. There is a company in London where the actual diamond selling is conducted and the Indian diamond sight holders participate in it, including the Hindustan Diamond Company. So, this is not concerned with a particular country.

[Translation]

SHRI SHANTI DHARIWAL : Sir, with a view to raising export of gems and jewellery, the India Diamond Bourse was set up in Opera House Area of Bombay in the year 1983. A monthly expenditure of Rs. 2 lakhs is being incurred on it since then. It has the facilities of trading hall. Custom and banking are also provided there. In spite of all these, neither a foreign buyer nor any Indian seller has so far entered that building. Mr. Deputy-Speaker, Sir, through you I would like to know from the hon. Minister what is the utility of this building when the objective of increasing export through it has not been fulfilled ?

SHRI P.R. DAS MUNSI : Full information in this regard will be collected and furnished to the hon. Deputy-Speaker.

[English]

SHRIMATI VYJAYANTHIMALA BALI : Sir, the recent crash in the Share and Stock market in Western countries, particularly the USA, has a chain reaction on the exporting countries. Perhaps our main export market of gem and jewellery items, both real and artificial, is in the United States.

The U.S. Government have already taken steps to curb import of certain items of goods to avoid recession in their economy. According to a recent report, the gem and jewellery industry in the country has been facing difficulties. Especially in Tamil Nadu, this industry has been thriving. But now, this industry may face a lot of difficulties because of these conditions. Therefore, I would like to know from the hon. Minister whether the Government will consider giving cash assistance, more concessions and other such facilities to boost this industry and to attract other countries of the world.

SHRI P.R. DAS MUNSI : No C.C.S. is

given to gem and jewellery export and the reasons are very obvious. So far as the gems and jewellery export is concerned, we have not faced any problems in the United States of America. If the hon. Member has in mind any specific item of gems and jewellery like gold, silver, diamonds or semi-precious stones, if she refers to any particular case like the one in Tamil Nadu, I can look into it.

Sir, I would also like to inform the House through you that raw diamonds are imported from London and Antwerp and no import takes place from South Africa. South Africa accounts only to the extent of 10 to 12 per cent of the total diamond production in the world. These are processed in the country and are mostly higher carat diamonds which are not processed in India. Diamonds are purchased through the Diamond Trading Company in London which is registered in the United Kingdom.

[Translation]

Rate of Inflation by 1988

* 213. †SHRI JITENDRA PRASADA :

SHRI MOHANBHAI PATEL :

Will the Minister of FINANCE be pleased to state :

(a) whether the attention of Government has been drawn to the news-item appearing in the Hindustan Times of 7 October, 1987 under the caption "Two digit inflation by 1988 feared" ;

(b) if so, the reaction of Government thereto ;

(c) whether Government propose to take any concrete steps for containing inflation by fixing the prices of industrial agricultural production at source ; and

(d) if so, the details thereof ?

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (d). A-Statement is given below.

Statement

(a) Yes, Sir.

(b) to (d). The severe drought in the country has put pressure on prices of some important agricultural commodities during the current financial year. However, it is not feasible to precisely predict the inflation rate by 1988 as the future outlook depends, inter-alia, on the state of the Rabi crop. Meanwhile a number of measures have been taken to minimise the effect of drought on prices. These include allocation of additional stock of foodgrains to drought affected and other areas, augmenting domestic availability of essential commodities particularly pulses and edible oils, through imports and mopping up of excess liquidity in the banking system. In regard to important agricultural commodities, the support prices and procurement prices are fixed every year. Some important items such as petroleum products, coal, steel, and fertilizers etc., are also subject to administered prices. The prices and list of administered commodities are reviewed from time to time, keeping in view the over-all interests of the economy. Efforts to provide remunerative prices also affect the process.

[Translation]

SHRI JITENDRA PRASADA : Mr. Deputy-Speaker, Sir, the hon. Minister has mentioned in his statement that the Government has taken some measures to contain inflation, but we find that the prices of oil-seeds, edible oils and pulses are on the increase. Through you I would like to know from the hon. Minister the rate of inflation based on the wholesale price index till 31-10-1987, the rate of inflation based on the consumer price index till 31-10-1987, whether there is any likelihood of any increase in the Budget deficit due to drought, Sri Lanka and other such difficulties, the extent upto which this increase will affect the prices and the measures being taken by Government to bring down the budget deficit ?

SHRI B.K. GADHVI : It is true that there are several such factors which have put pressure on inflation and prices. These include famine and other factors also. But so far as the question of the rate of inflation is concerned, prices of some of the commodities, particularly edible oils, condiments and spices and pulses have increased during 1987-88. As stated in the statement, Government is making lots of efforts to

contain them with a view to checking price rise. An appropriate action is being taken about both demand and supply sides.

So far as price index is concerned, the rate of inflation is between 7 to 7.5 per cent as per the wholesale price index. We are considering how to contain it.

SHRI JITENDRA PRASADA : Please furnish the rate of inflation upto 31-10-87.

SHRI B.K. GADHVI : We have with us figures upto October and not of the period thereafter.

SHRI JITENDRA PRASADA : Please tell us the rate as per Consumer Price Index.

SHRI B.K. GADHVI : According to the figures available upto September 1987, it was 7.8 per cent as per wholesale price index and 8.3 per cent as per Consumer Price Index.

[English]

SHRI SAIFUDDIN CHOWDHARY : Who bothers about the wholesale price ?

SHRI B.K. GADHVI : This is not the way to ask questions. You get up and ask. (Interruptions)

I am telling you that upto September it was 8.3 per cent. Presently, as per the Consumer Price Index, it is about 10.2 per cent.

SHRI JITENDRA PRASADA : What about the effect of the deficit in the Budget ?

SHRI B.K. GADHVI : We are trying to contain the deficit within the manageable limit.

SHRI JITENDRA PRASADA : Secondly, the value of rupee is going on declining. It is a concealed de-valuation. I would like to know as to what is the effect of this concealed de-valuation on our foreign debt and foreign exchange reserves and the measures being taken by the Government to check the concealed de-valuation ?

THE MINISTER OF FINANCE AND COMMERCE (SHRI NARAYAN DATT TIWARI) : Sir, with regard to the question of de-valuation of rupee raised by the hon. Member, I would like to state that it is

quite but natural that the value of the rupee which was 10 to 20 years ago cannot inevitably remain the same under to-day's situation. This is the system which is prevalent in the whole world. The purchasing power of rupee has come down by 30 per cent i.e. 3.34 times during the years vis-a-vis its purchasing power in 1970-71. But as the learned hon. Member is also aware, the *per capita* income has also increased to Rs. 2,596 which is 4 times more. The reduction in the value of rupee has been 3.34 times whereas the increase in the *per capita* income has been 4.1 times. As such, the net income of people has increased.

[English]

SHRI JITENDRA PRASADA : What about the effect on devaluation of rupee on foreign debt and foreign exchange reserves ?

[Translation]

SHRI NARAYAN DATT TIWARI : Sir, it is a fact that there has been some constraints in our balance of payment position. But it is not due to devaluation. I cannot call it devaluation. It is due to floating rate of exchange. To-day all the major currencies of the world are running on the basis of floating rate of exchange. We evaluate our rupee on the basis of different baskets of currencies. Today, the position of balance of payment is governed by the deposits of N.R. Is and individual resources of our workers and employees who are living abroad. In regard to the balance of payment position, our expenditure has increased and we are trying our best to keep it balanced.

[English]

SHRI BASUDEB ACHARIA : When a huge deficit in this year's Budget was kept which is about more than Rs. 5,000 crores we expressed our apprehension that there would be a great inflationary pressure. This would bring about inflation. And this has come true. He has stated that some measures have been taken to arrest the rising prices of essential commodities.

But inspite of all these measures, prices of almost all essential commodities are going up, unabated. May I know from the Minister what further steps he is going to take, to arrest the prices of all essential commodities ; will he consider the proposal

to procure and supply essential commodities at uniform prices throughout the country and provide subsidy, so that people can get these essential commodities at cheaper prices ?

SHRI B.K. GADHVI : Sofar as arresting prices is concerned, various measures are being taken; and as I said earlier,... *(Interruptions)*

MR. DEPUTY-SPEAKER : Listen to him. The hon. Member has asked the supplementary. The Minister is answering it. First let us see whether the particular Member is satisfied, or not.

SHRI DATTA SAMANT : There has been the highest inflation this year. Go to the countryside. *(Interruptions)*

MR. DEPUTY-SPEAKER : Order, please.

SHRI B K. GADHVI : There are two sides : on the demand side, Reserve Bank of India...*(Interruptions)*

MR. DEPUTY-SPEAKER : No ; he is answering Mr. Acharia's question. If you go on raising new questions, he cannot answer every question.

SHRI B.K. GADHVI : Sofar as the question of arresting prices is concerned, there are two sides : on the demand side, measures have been taken. The Reserve Bank has tightened selected credit controls on oilseeds, vegetable oil, cotton seeds, cotton oil, paddy, rice, pulses, cotton and *kapas*. Advances against some pulses like turmeric are also being controlled.

The second measure is this : the cash reserve ratio has been raised from 9.5% to 10% with effect from 24th October 1987, to mop up the excess liquidity which is existing. The Government has instituted strict economy.. *(Interruptions)* Kindly listen to the measures that we have taken. When you are asking us what measures have been taken to arrest price rise, I am giving you the measures. *(Interruptions)*

SHRI BASUDEB ACHARIA : Inspite of all these measures, there is a very heavy rise in prices. *(Interruptions)*

MR. DEPUTY-SPEAKER : Order, please. *(Interruptions)* First you listen to the measures he is narrating...*(Interruptions)*

SHRI B.K. GADHVI : Have patience ; listen to my reply, and then ask for clarifications. *(Interruptions)*

MR. DEPUTY-SPEAKER : Order, please. Mr. Minister, you go on. *(Interruptions)*

SHRI B.K. GADHVI : The Government has instituted strict economy in the Government expenditure, which is expected to bring about a saving of about Rs. 650 crores. On the supply side...*(Interruptions)* there is a minimal...*(Interruptions)*

MR. DEPUTY-SPEAKER : This is economics. Please sit down. If you are not prepared to listen, I will pass on to the next question.

SHRI B.K. GADHVI : If you have no patience to listen to me, but merely go on shouting ..*(Interruptions)*

MR. DEPUTY-SPEAKER : Then there is no point. I will go on to the next question then. *(Interruptions)* If you are not interested in listening to the Minister's reply, I will pass on to the next question. That is all I can do. *(Interruptions)*

SHRI B.K. GADHVI : In addition, there is a severe drought, a drought unprecedented during the last hundred years ; still, I am here to mention that the inflationary rate which was there in 1978-79 was more than double the present rate of inflation, although the situation was not so bad then.

(Interruptions)

SHRI BASUDEB ACHARIA : Has the inflation increased since 1980 ?

(Interruptions)

MR. DEPUTY-SPEAKER : I will go to the next question.

(Interruptions)

MR. DEPUTY-SPEAKER : This is not the way to ask questions. How can he answer like this ?

(Interruptions)

MR. DEPUTY-SPEAKER : You cannot put your questions on the Minister's reply like this. You first take your seats, listen to the Minister and then put your

questions. Only then I can allow you to put questions.

(Interruptions)

MR. DEPUTY-SPEAKER : If you have got any objection at all, you can clarify your position later on, not now.

(Interruptions)

SHRI S. JAIPAL REDDY : You are referring to 1977-78 price rise. (Interruptions)

SHRI BASUDEB ACHARIA : I asked a very specific question. Will the government consider the proposal of taking over the wholesale trade of foodgrains ? (Interruptions)

MR. DEPUTY-SPEAKER : Next question.

SHRI BASUDEB ACHARIA : He has not replied to my question.

MR. DEPUTY-SPEAKER : You are not allowing him to reply. What can I do ? How can he answer when all of you are shouting like this ? This is not the way to ask questions.

(Interruptions)

SHRI BASUDEB ACHARIA : He has not replied to my question.

MR. DEPUTY-SPEAKER : You are not allowing him to reply. What can I do ? When all of you are shouting like this, how can he reply ?

(Interruptions)

SHRI BASUDEB ACHARIA : He is misleading...(Interruptions)

MR. DEPUTY-SPEAKER : He is not misleading.

(Interruptions)

SHRI BASUDEB ACHARIA : I have asked a very specific question. (Interruptions)

MR. DEPUTY-SPEAKER : Next question—Shri Srikantha Datta.

(Interruptions)

MR. DEPUTY-SPEAKER : I cannot

allow like this. Shri Sidnal.

(Interruptions)

MR. DEPUTY-SPEAKER : Shri Sidnal. I cannot allow when all of you are shouting.

(Interruptions)

SHRI BASUDEB ACHARIA : No, he has got to reply to my question.

(Interruptions)

MR. DEPUTY-SPEAKER : When all of you are shouting like this, how can he reply ?

SHRI P.R. KUMARAMANGALAM : Just because the Opposition Members are making a noise, the ruling party members are not able to ask questions. (Interruptions)

SHRI BASUDEB ACHARIA : I asked a supplementary question.

MR. DEPUTY-SPEAKER : He had answered your supplementary question.

SHRI BASUDEB ACHARIA : No, he has not answered it...(Interruptions) No, no, he has not answered it.

MR. DEPUTY-SPEAKER : He has answered it.

(Interruptions)

MR. DEPUTY-SPEAKER : If everybody is shouting like this, I cannot control it.

(Interruptions)

Interest Free Loans to Poor

*215 †SHRI S.B. SIDNAL :

SHRIMATI BASAVARAJESWARI :

Will the Minister of FINANCE be pleased to state :

(a) whether Union Government are considering various proposals to provide interest-free loans to the poor ;

(b) if so, the details of the proposals ; and

(c) whether any complete formula has been prepared as to how to implement the proposals to benefit the poor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) There is no proposal under consideration to provide interest-free loans.

(b) and (c). Do not arise.

SHRI S.B. SIDNAL : When the Government is always helping the business people in the backward areas by providing 15-20 per cent subsidy, how is it that they are not helping the poor people? What prevents the Government from not helping the poor people by giving interest free loan in the backward areas where they are not able to get even infrastructural facilities?

SHRI JANARDHANA POOJARY : There are schemes in the banking sector to provide assistance to the weaker sections with subsidy. In the case of marginal farmers, under IRDP, we are providing subsidy to the extent of 33 1/3 per cent; in the case of small farmers, we are providing subsidy to the extent of 25 per cent; and in the case of tribal people, we are providing subsidy to the tune of 50 per cent. So far as weaker sections are concerned, under DRI schemes we are giving loans to the weaker sections at a concessional rate of interest that is at 4 per cent. So far as educated unemployed people are concerned, we are giving subsidy—100 per cent from the Central Government—to the extent of 25 per cent. If you calculate the subsidy amount, it works out, even for example if we give the loan without interest this subsidy amount is said to be more beneficial to the beneficiaries and there is concession, even in principle. So, there is no proposal for us to give interest free loans.

SHRI S.B. SIDNAL : When subsidy has been refused by the implementing authority, about which we get Press reports, it is not reaching the people for whom it is meant. If it is not correctly processed, at least if interest free money is given, they will be using it.

SHRI JANARDHANA POOJARY : So far as interest free loan is concerned, for the benefit of the hon. Member I can say, that in the case of educated unemployed people we are adjusting the subsidy after payment of 75 per cent of the instalment. Here, if we give the loan without interest, the impression will also be created that it will be

in the form of a grant. Not only that; it is not practicable. I share the concern of the hon. Member to the extent that there are some deficiencies in the system and the Government has received some complaints that in certain cases the subsidies are not reaching the beneficiaries. We are monitoring and action has been taken. I requested the State Governments also to look into the matter because wherever subsidies are there, State Governments are also involved in the case of agencies like DDAs and also DICs. We, from the Central Government, are also monitoring and the Reserve Bank has been asked to look into these aspects and wherever action is required, it is being taken.

SHRIMATI BASAVARAJESWARI : I have a news item saying "Interest-free loans to poor soon: Poojary". It says, "Mr. Poojary told newsmen that such a scheme was contemplated years ago but was deferred as the Reserve Bank had contended that at least a nominal amount of interest should be charged to prevent beneficiaries from being casual about loan repayment. However, the Government had not dropped the scheme completely." I would like to ask the hon. Minister whether it is still under consideration, or whether it has been dropped.

Another question I want to ask the hon. Minister is the hon. Minister has instructed the Branch Managers of Banks to tour the villages to understand the problems of the people and he has also instructed the Branch Managers to have one or two credit camps twice a month outside the bank premises so as to ensure a smooth running of the banks, and also to understand their problems. I would like to know the outcome and the action taken.

SHRI JANARDHANA POOJARY : So far as the first part of the question is concerned, it is true that we have a proposal to see whether we can give loans without interest. Now and then, we have considered as the question came to us. At present there is no proposal to consider giving loans without interest and we have already considered it.

So far as the second part of the question is concerned; it is true that for the benefit of the weaker sections, once in a week the Bank Manager should go to the

rural areas and see that the schemes meant for the weaker sections are properly formulated. We have received complaints that some bank managers are not going to the rural areas. When I went to the villages some villagers complained that some of the bank managers are not going there. For that purpose in a Chief Executives' meeting the Government has directed the Reserve Bank Governor to send the Chief Executive or the Chairman to the villages.

One of the Members of Parliament from this House has recently come and complained to me that when one of the Chairmen went to the village it was not brought to the notice of the hon. Member. He also stated that he did not get down from the car, and he did not go into the interior places of the district. Here also, we are monitoring, and not only bank but even the Finance Minister and myself are also going to the villages to see whether the schemes meant for the weaker sections are monitored properly or not.

SHRI S. JAIPAL REDDY : Mr. Deputy-Speaker Sir, you will kindly appreciate the apparent contradictions in the answer given by our Minister. He said, 'The Government is considering' and in the questionnaire says : 'on a statement he made in Karnataka'. So, I would like to know whether he made that statement as the President of PCC (I) of Karnataka or as the Minister of State for Finance, because he tends to be very populist whenever he goes to Karnataka. Will the Minister kindly explain the apparent contradictions not only between the statement and the reply, but the apparent contradiction in the reply he has just now given. Secondly, the Minister has referred to subsidy. As Mr. Sidnal has rightly pointed out, the subsidy has been found to be largely misused by various implementing authorities. Has it come to the notice of the Minister ? If so, what are the remedial measures the Department is contemplating ?

SHRI JANARDHANA POOJARY : So far as the first part of the question is concerned, I made the statement as the State Minister for Finance in Government of India and there I have stated, 'We have considered and thereafter we are also considering'. We have considered even after that and when the question is answered here, there is no proposal now because the Government has

already considered.

(Interruptions)

SHRI S. JAIPAL REDDY : Are you able to follow Sir ?

MR. DEPUTY-SPEAKER : He has told that he has considered and now there is no proposal.

(Interruptions)

SHRI BASUDEB ACHARIA : What is the difference between the two ?

(Interruptions)

SHRI JANARDHANA POOJARY : We have also considered and we have negatived it. There is no proposal now.

(Interruptions)

SHRI S. JAIPAL REDDY : Some 'Maya' theory Sir.

SHRI JANARDHANA POOJARY : So far as the populist measure is concerned, it is a measure to help the weaker sections and also to accelerate the flow of assistance to the people who are living below the poverty line.

(Interruptions)

SHRI S. JAIPAL REDDY : Who asked you about this ?

SHRI JANARDHANA POOJARY : This is done not only in Karnataka but it has been done in the State of Andhra Pradesh also, but inspite of the resistance offered by some of the Opposition Members there, still we are pursuing it so far as the flow of credit is concerned and it is the conscious decision of the Government of India and the Congress Government to help the weaker sections.

(Interruptions)

SHRI S. JAIPAL REDDY : He has to answer my question.

(Interruptions)

MR. DEPUTY-SPEAKER : Regarding subsidy, he is asking.

SHRI JANARDHANA POOJARY : As far as the deficiency in the system of the payment of the subsidy is concerned, a survey has been conducted and some

Irregularities were found, action has been taken and the Government has written to all the concerned also to see that the subsidy reaches the weaker sections, and for that purpose, not only the Reserve Bank of India but the Government of India, particularly as part of the Government, I personally also monitor and go to the villages and I educate the people in the credit camps also.

(Interruptions)

For your information I may tell you that I am moving very fast throughout the country. I am going to the farthest corner of a district also. (Interruptions)

SHRI BASUDEB ACHARIA : Is it relevant ?

SHRI S. JAIPAL REDDY : Can the Minister travel all the 6 lakh villages in the country ?

SHRI JANARDHANA POOJARY : For the benefit of the hon. Members I may tell the House that when we go to the villages and the villagers including Scheduled Castes and Scheduled Tribes bring to our notice that they are not given subsidy or when there is complaint to the extent that there is corruption prevailing in the distribution of subsidy, I take immediate action on the spot. (Interruptions) When we are taking action like that on the spot, some of the hon. Members of the Opposition have gone to the extent of saying that I am having public trial on the spot. To that extent, some people have complained. But with all these things, we are taking action against the people wherever there is any deficiency.

Increase in Price of Cotton Yarn

***216. SHRI SATYAGOPAL MISRA :** Will the Minister of TEXTILES be pleased to state :

(a) whether recently the price of cotton yarn has gone up in the domestic market ;

(b) if so, the details thereof ; and

(c) the reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) The prices of various counts of cotton yarn and cotton cone yarn in the Coimbatore and Bombay markets went up by 14 to 45% and 9 to 36% respectively during January—August, 1987.

(c) The rise in the prices of cotton yarn was mainly due to the rise in the prices of raw cotton during this period.

SHRI SATYAPAL GOPAL MISRA : In the statement the hon. Minister has admitted that the prices of cotton yarn have gone up from 14 per cent to 45 per cent in the Coimbatore and Bombay markets. And because of the middlemen, our weavers, who are living in far flung areas of our country, are faced with a price rise of about 50 per cent when they purchase cotton yarn. The hon. Minister has stated that due to the rise in cotton prices, the yarn prices have gone up. But my information is that it is due to the wrong textile policy and the policy for exporting raw cotton and yarn that this situation has arisen. This year we have exported cotton yarn to the tune of Rs. 229.41 crores from April to August. This is done at the cost of the livelihood of the weavers. In this context may I know from the hon. Minister whether he is going to put a ban on export or put some restrictions on the export of yarn so that our weavers get yarn at cheaper prices ?

SHRI RAM NIWAS MIRDHA : The prices of yarn have increased mainly because of the increase in the price of cotton. Between January and August, 1987 the cotton prices increase averaged around 59 per cent but the yarn prices had increased only by 18 per cent to 22 per cent. So it did not increase in proportion to the rise in cotton prices.

We were exporting cotton to begin with because there was surplus cotton in the country and it was estimated that we were surplus in cotton and to provide some relief to the cotton growers. On the request of Maharashtra Federation, Cotton Corporation of India and other bodies of similar nature, we allowed some export of cotton. But when we saw that the prices were rising, we stopped export of staple cotton many months back, from July. Now no more staple cotton is exported. And we allowed the export of yarn in a very limited way and some sort of control was maintained. We were releasing them in small quantities.

Therefore, it cannot be said that yarn export which hardly accounts for 7 per cent of our total production, is affecting the price of yarn. But in spite of all that I am saying, we have taken a number of measures to see that yarn to the weavers is given at the proper price. One of the measures that we have taken is that we have asked the South Indian Mills Association as well as the North Indian Cotton Textile Mills Association that they should supply yarn at 20 per cent below the price that obtained in August, 1987. The National Handloom Development Corporation has written to all the State level corporations and the apex cooperative societies that if they want yarn at 20 per cent concessional price, they should approach the National Handloom Development Corporation.

MR. DEPUTY-SPEAKER : Question Hour is over now.

WRITTEN ANSWERS TO QUESTIONS

[English]

Inter-Ministerial Panel for Joint Ventures Abroad

*209. SHRI BHADRESHWAR TANTI :

SHRI BALASAHEB VIKHE PATIL :

Will the Minister of COMMERCE be pleased to state :

(a) whether an inter-ministerial panel has been set up by Government to deal with tie-up proposals for setting up joint ventures abroad ;

(b) if so, the salient features thereof ;

(c) whether the rules for investment in joint ventures abroad have been liberalised ; and

(d) if so, the details thereof ?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) Yes, Sir.

(b) Salient features of Inter Ministerial Committee on Joint Ventures Abroad.

(i) The Inter Ministerial Committee on

Joint Ventures Abroad (IMC) is a high empowered Committee consisting of Additional Secretary, in the Ministry of Commerce as Chairman and senior officials from various Ministries concerned as its members.

(ii) The Committee considers and approves joint venture proposals under Section 27 of FERA, 1973, from all angles including financial and technical viability, promotion of exports not only of capital goods but also consultancy/technical and other services and long-term effect on domestic and industrial developments.

(iii) The Committee also decides the manner of contribution by the Indian Companies towards their equity participation including the following :

(a) Export of capital goods ;

(b) Export of know-how ;

(c) Capitalisation of service fees etc. ;

(d) Cash remittances ;

(e) Raising of foreign exchange loans abroad.

(iv) The Committee also approves the various entitlements and agreements entered into by the Indian promoters with the foreign collaborators/joint ventures.

(v) The Committee's clearance for export of raw materials including controlled items is treated as final and the direction is complied with by the concerned authorities without further reference or scrutiny.

(c) and (d). The existing guidelines which came into force with effect from February, 1986, have been revised in the light of the experience gained and after intensive interaction with the concerned agencies such as Deptt. of Eco. Affairs, Company Affairs, Reserve Bank of India, Exim Bank of India and Export Credit and Guarantee Corporation of India. While formulating these guidelines, Government approach has mainly been

guided to see that such joint ventures abroad succeed and thus open up and expand export markets abroad and not remain merely a matter of investment and returns. In view of this, guidelines have been made more cohesive in that elements of both more accountability and certain liberal flexibility have been introduced.

Guidelines calling for more accountability on the part of the Indian promoter companies are :

- (i) Overseas investment is permitted only to companies registered under the Company Act, 1956. Similarly, proposals involving individual as foreign collaborators are not encouraged.
- (ii) Financial soundness is an essential eligibility criterion for Indian collaborators.
- (iii) Past experience in the concerned area of responsibility of Indian and foreign collaborators is also necessary eligibility condition to ensure a high degree of success of such ventures.
- (iv) In the event of participation in the equity of another company or promotion of a wholly owned subsidiary by a joint venture ; prior approval of Government of India shall be obtained.

The following elements of liberalisation have been introduced in the guidelines :

- (i) Cash remittances are considered against equity participation liberally in financially sound proposals on merits.
- (ii) Earlier the additional equity contribution was permitted mainly through export of machinery and equipments etc. In the present guidelines, it has been made more liberal by incorporating that an additional equity contribution can also be met by raising foreign loan or cash remittance in deserving cases.

[Translation]

Losses to MITCO

*212. PROF. CHANDRA BHANU

DEVI : Will the Minister of COMMERCE be pleased to state :

(a) whether the Mica Trading Corporation (MITCO) is running in losses ; and

(b) if so, the amount of the loss incurred during last three years ?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) No, Sir.

(b) Does not arise.

[English]

Assistance to Small Farmers and Agricultural Labourers by State Bank of Mysore

*214. SHRI SHRIKANTA DATTA NARASIMHARAJA WADIYAR : Will the Minister of FINANCE be pleased to state :

(a) whether the State Bank of Mysore has launched any scheme to assist the small and marginal farmers and agricultural labourers ;

(b) if so, the amount provided under the scheme in the last three years ;

(c) whether the above bank proposes to increase its assistance to the people suffering in the drought affected areas in Karnataka ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). State Bank of Mysore has reported that it has been providing financial assistance to the small and marginal farmers and agricultural labourers under the various schemes operated by it and also by way of crop loans etc. Most of the schemes are on-going schemes. The total outstanding advances of the bank in respect of small and marginal farmers and agricultural labourers for the last 3 years are indicated below :

30-6-1985	Rs. 28.37 crores
30-6-1986	Rs. 33.34 crores
30-6-1987	Rs. 43.32 crores

(c) and (d). State Bank of Mysore has further reported that upto 30-9-1987, it had provided assistance to 48295 persons in Karnataka State affected by the recent drought to the extent of Rs. 19.41 crores. The bank would continue to extend credit facilities to eligible applicants.

Indepth Study of Jute Industry

*217. SHRI ANIL BASU : Will the Minister of TEXTILES be pleased to state :

(a) whether Government are considering an indepth study of jute industry which is refusing modernisation package of Government and complaining about demand recession, shortage of funds, loss of markets, competition from synthetics to seek more concessions from Government ;

(b) if so, mode of such study ; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) to (c). The Government has already announced a comprehensive package of measures for revitalisation of the jute industry. The Government has been studying the problems of jute industry on a continuing basis and taking necessary corrective steps from time to time to improve its working.

Foreign Loans

*219. SHRI VILAS MUTTEMWAR :
SHRI SARFARAZ AHMED :

Will the Minister of FINANCE be pleased to state :

(a) the total amount of foreign loan received by Government from each country during the period from January, 1987 to date and the amount of concessional loan received for drought relief ; and

(b) the terms and conditions for the repayment of this loan and the rate of interest thereon ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). Statement I

showing the total amount of foreign loans received by the Government from various countries from January, 1987 onwards is given below :

The statement also indicates the terms and conditions of the loans.

No concessional loans have been received for drought relief during this period. However, statement II showing the offers of assistance received for drought relief and the status of these offers is given below.

(See columns 31—42).

[Translation]

Outstanding Income-tax Against Film Stars

*220. SHRI KALI PRASAD PANDEY : Will the Minister of FINANCE be pleased to state :

(a) the names of the super cine stars who have paid more than one lakh rupees as income-tax for the years 1986-87 and 1987-88 and the names of film stars against whom this amount or above is still outstanding ;

(b) the action taken for the recovery of income-tax from the film stars/super stars in Delhi, Bombay, Madras and other parts of the country ; and

(c) the amount of income-tax collected during 1985, 1986 and 1987 from this category of assesseees ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) The names of the film stars who have paid more than a lakh of rupees as income-tax during 1986-87 and 1987-88 are given in statement-I below. The names of film stars in whose cases income-tax arrears of over Rs. 1 lakh are outstanding, are given in Statement-II below.

(See columns 43—46).

(b) All possible actions, both legal and administrative, are being taken to recover the arrears.

(c) The income-tax collected from the above category of assesseees during 1985-86, 1986-87 and 1987-88 (part of the year) are Rs. 156.83 lakhs, Rs. 295.90 lakhs and Rs. 179.56 lakhs respectively.

Statement I
Loans Received from External Agencies Since January, 1987

Sl. No.	Country/ External Agency	Amount received (Rs. crores)	Terms and Conditions		Remarks
			Interest per annum	Repayment period	
1	2	3	4	5	6
1.	U.S.A.	36.54	2% in the first 10 years and 3% in the remaining 30 years.	40 years including grace period of 10 years.	
2.	France	178.15	6.14%	28 years including a grace period of 3 years.	
3.	Italy	36.76	1.5%	20 years including a grace period of 10 years.	
4.	Denmark	11.17	Nil	35 years including a grace period of 10 years.	
5.	Belgium	4.43	Nil	30 years including a grace period of 10 years.	

6.	Saudi Arabia	2880.45	8.4%	20 years including a grace period of 5 years.	
7.	Japan	289.77	2.75%	30 years including a grace period of 10 years.	
8.	Federal Republic of Germany	72.25	Soft loan : 0.75%	Soft loan : 50 years including 10 years grace period.	The loan received from FRG consists of soft assistance and export credit in the ratio of 50 : 50.
9.	Austria	0.30	Nil	Export : Standard credit export credit terms.	Export : Standard credit export credit terms.
10.	Canada	9.20	Nil	30 years including a grace period of 10 years.	Since 1-4-1986 CIDA assistance is in grant form.
11.	Netherlands	12.69	2.5%	50 years including a grace period of 10 years.	30 years including grace period of 8 years.
12.	Switzerland	1.42	Soft portion : Nil	Soft portion : 25 years with 10 years grace.	

1	2	3	4	5	6
			Commercial : 1 $\frac{1}{2}$ % Banks above the portion issuing rate of Swiss Banking Corporation.	Commercial : 10 years Bank inclusive portion of grace period of 3 years.	
13.	U.S.S.R.	143.97	2.5%	20 years including a grace period of 5 years.	

Statement II
Offers of Assistance for India's Drought Relief Programme

Sl. No.	Country	Amount of Assistance	Terms	Purpose	Remarks
1	2	3	4	5	6
1	Japan	Yen 29.5 billion (Rs. 270 crores)	Interest—2.75% Repayment—25 years with a grace period of 7 years	Import of edible oils and drought-related commodities.	Loan is untied and can be used for import from any source. The loan is yet to be negotiated.
2.	U.S.A.	Rs. 8 crores (approx.)	Grant	Supply of 5200 MT of butter oil to Indian Dairy Corporation.	An agreement has been signed in this regard on 29-9-1987. In addition, a package of assistance for drought relief is being dis- cussed between USA and Government of India which may include advance drawal of committed funds and sup- plies under their Export Enhancement Programme and grants under Section 416.
3.	Soviet Union	Rs. 10 crores (approx.)	Grant	Supply of 6 drilling rigs and 35 water pumps as also the services of experts.	Letters exchanged between USSR and Government of India on 26-10-1987.

	2	3	4	5	6
4.	E.E.C.	ECU 20 million (approx. Rs. 30 crores)	Grant	(a) Cash assistance of ECU 5 million. (b) Supply of 9000 tonnes of vege- table oil, 2000 tonnes of skimm- ed milk powder and 3000 tonnes of butter oil.	Of the cash assistance of ECU 5 million 1.5 to 2 million ECU to be channelis- ed through NGOs and the balance through Government channels.
5.	F.R.G.	DM 10 million (Rs. 7 crores)	Grant	Import of edible oil.	This assistance is over and above the normal aid alloca- tion. The amount has to be utilised by 31-12-1987, therefore the oil is expected to come into the country shortly. The possibility of obtaining additional grant from FRG is also being dis- cussed.
6.	Belgium	B. Fr. 10 million (Rs. 30 lakhs)	Cash assistance		There is a possibility of supply of sugar, flour, edible oil, skimmed milk and butter also.
7.	France	FF 40 million	Grant	Import of rapeseed oil.	This would be above the normal aid allocation.

The Board of EDs of the Bank is expected to approve the proposal towards the end of November, 1987.

To provide BOP and budgetary support to Government of India in meeting the additional costs imposed by the drought

(a) \$200 million.
IDA 35 years repayment including 10 years grace 0.5% commitment fee on undisbursed amounts and 0.75% service charge during on disbursed amounts.

(b) \$150 million.
IBRD 7.76% interest p.a.
20 years repayment including 5 years grace.
0.75% commitment fee on undisbursed amounts.

8. World Bank \$350 million

No specific offer made. However, Sweden is examining the possibility of utilisation of savings of about Sw. Fr. 100 million (Rs. 20 crores) out of the normal bilateral aid for the import of commodities like edible oil (from Sweden).

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9. Sweden

Statement I

Sl. No.	Names of film stars who have paid more than a lakh of rupees as income-tax during 1986-87 and 1987-88	Sl. No.	Names of film stars who have paid more than a lakh of rupees as income-tax during 1986-87 and 1987-88
1	2	1	2
1.	Amitabh Bachchan	29.	Raj Kumar Pandit
2.	Dharmendra Deol	30.	Ashok Kumar Ganguli
3.	Hema Malini	31.	Dilip Kumar
4.	Ajay Singh Deol	32.	Sanjay Dutt
5.	Shammi Kapoor	33.	Lina Chandravarkar
6.	Rishi Kapoor	34.	Ranjita Kaur
7.	Ranbir Raj Kapoor	35.	Mandakini
8.	Anantnag	36.	Meenaxi Seshadri
9.	Mehmood Ali Mumtaz Ali	37.	Jackie Shroff
10.	N. Balakrishnan	38.	Pankaj Parashar
11.	M.R. Radhika	39.	Dr. Sriram Lagoo
12.	Bhanu Priya	40.	Poonam Dillon
13.	U. Krishnam Raju	41.	Danny Dengzongpa
14.	G.S.R. Krishnamurthi	42.	Tina Munim
15.	C. Suhasini Hasan	43.	Rakhee Gulzar
16.	K. Bhagyaraj	44.	Dipti Naval
17.	Kamal Hasan	45.	Nirupa Roy
18.	Rajnikanth	46.	Satyen Kappoo
19.	A. Sridevi	47.	Smita Patil
20.	Jayapradha	48.	Shatrughan Sinha
21.	Sarita	49.	Sanjay Alias Abbas Khan
22.	S. Ambika	50.	Sushma Shiromani
23.	Mithun Chakravarty	51.	Shabana Azmi
24.	Amaresh Puri	52.	Sharmila Tagore
25.	Padmini Kolhapuri	53.	Sunil Dutt
26.	Sadhana Nayar	54.	Waheeda Rahman
27.	Dada Kondke	55.	Prem Chopra
28.	Dara Singh	56.	Vidya Sinha

1	2	1	2
57. Vinod Khanna		63. Kishore Kumar	
58. Rathi Agnihotri		64. Jitendra Kapoor	
59. Feroz Khan		65. Amjad Khan	
60. Shakti Kapoor		66. Rajesh Khanna	
61. Parveen Babi		67. Kader Khan	
62. Rekha Ganesan		68. Anil Kapoor	

Statement II

Sl. No.	Names of film stars in whose cases income-tax arrears over Rs. 1 lakh are outstanding	Sl. No.	Names of film stars in whose cases income-tax arrears over Rs. 1 lakh are outstanding
1.	Ranjita Kaur	21.	Prema Narayan
2.	Sriram Lagoo	22.	Padmini Kapila
3.	Tina Munim	23.	Helen Richardson
4.	Dipti Naval	24.	Reena Roy
5.	Satyen Kappoo	25.	Sujit Kumar
6.	Sanjay alias Abbas Khan	26.	Dimple Kapadia
7.	Sushma Shiromani	27.	Maushmi Chatterjee
8.	Shabana Azmi	28.	Mehmood Ali Mumtaz Ali
9.	Vidya Sinha	29.	Anantnag
10.	Vinod Khanna	30.	M.R. Radhika
11.	Rati Agnihotri	31.	U. Krishnam Raju
12.	Feroz Khan	32.	G.S.R. Krishnamurthi
13.	Shakti Kapoor	33.	K. Bhagyaraj
14.	Rekha Ganesan	34.	C. Suhasini Hasan
15.	Kishore Kumar	35.	Kamal Hasan
16.	Jitendra Kapoor	36.	Rajnikant
17.	Amjad Khan	37.	A. Sridevi
18.	Rajesh Khanna	38.	Jayapradha
19.	Kader Khan	39.	Vinod Mehra
20.	Sarika Thakor		

[English]

Pending Applications for Licence to Import Penicillin-V

***221. SHRI JANAK RAJ GUPTA :** Will the Minister of COMMERCE be pleased to state :

(a) the number of units which were allowed to import Penicillin-V during last two years ;

(b) the number of units whose applications for grant of import licence have been rejected by the Chief Controller of Imports and Exports ; and

(c) the grounds on which the applications were rejected ?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) During the last two years i.e., from 1st November, 1985 to 31st October 1987, import of Penicillin-V has been allowed only to two units.

(b) Applications from two units for grant of import licence for Penicillin-V were rejected during the above period.

(c) Above applications were rejected as there was no certification from concerned technical authority and administrative Ministry that they cannot use Penicillin-G, which is available indigenously.

Permission to MNCs to set up Cigarette Factories in Nepal

***223. SHRI RAM BHAGAT PASWAN :** Will the Minister of COMMERCE be pleased to state :

(a) whether Government have allowed some multinational cigarette companies in India to set up cigarette factories in Nepal ; and

(b) if so, the details of Indian investment thereof ?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) Yes, Sir. There is only one multinational Cigarette Company of India named M/s. Indian Tobacco Company Limited who have set up a Joint Venture for the manufacture of cigarettes in Nepal.

(b) A statement is given below.

Statement

- | | |
|--|--|
| 1. Name and Address of the Indian Party | : M/s I.T.C. Ltd., Virginia House, 37, Chowringhee, Calcutta-700071. |
| 2. Name and Address of the Joint Venture | : M/s Surya Tobacco Co. (P) Limited, 21, Himalayan Heights, Kathmandu, Nepal |
| 3. Date of Approval | : 14th November, 1984 |
| 4. Date of commencement of operation | : 3rd December, 1986 |
| 5. Field of activity | : Manufacture of cigarette |
| 6. Financial package | |
| (a) Total cost of the project | : 479.37 lakhs (Indian Rs.) |
| (b) Total equity | : 91.95 lakhs ,, |
| (c) Indian equity | : 45.06 lakhs ,, |
| (d) Foreign Collaborator's equity | : 46.67 lakhs ,, |

(i) Surya Tobacco Co.
Pvt. Limited. 45.06
lacs

(ii) British American
Tobacco Company Ltd.
1.61 lacs

7. Mode of contribution of Indian equity : Cash remittance from India

8. Performance :

(a) Exports (Actual) of Plant and Machinery	:	85-86	86-87	(Rs. in lacs)
		8.79	29.61	

(b) Repatriation : 1.84 lakhs towards Turnkey consultancy services fee.

Turnover in Textiles and Readymade Garments Export

*224. DR. DATTA SAMANT : Will the Minister of TEXTILES be pleased to state :

(a) what will be turnover in textile export during the year 1987-88 ;

(b) what is the expected turnover of export of readymade garments ; and

(c) the reasons for record growth of textile export ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) Based on the present trends of textile exports, the exports of cotton textiles and garments during 1987-88 are likely to be Rs. 2,800 crores.

(b) The export of readymade garments is expected to reach Rs. 1,800 crores in 1987-88.

(c) The reasons for the growth in exports are a favourable international situation and an appropriate export policy to take advantage of the situation.

[Translation]

Bank Loans for Digging Wells

*225. SHRI DILEEP SINGH BHURIA : Will the Minister of FINANCE

be pleased to state :

(a) whether the National Bank for Agriculture and Rural Development has prepared any scheme under which the loan given by the nationalised banks for digging wells under minor irrigation schemes is repaid by the State Government, if the well is proved unsuccessful ; and

(b) if so, the names of the States in which this scheme has been introduced so far ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) According to information available from National Bank for Agriculture and Rural Development (NABARD), the State Governments of Andhra Pradesh, Karnataka and Maharashtra have adopted the scheme.

[English]

Import of Pulses

*226. SHRI LALITESHVAR PRASAD SHAHI : Will the Minister of COMMERCE be pleased to state :

(a) whether in view of the rising trends in the price of pulses, Government propose to import pulses from Australia and New Zealand ;

(b) if so, the quantum of pulses imported from each of the country during the past

six months ; and

(e) to what extent the price of pulses in the country have stabilised due to imports ?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) and (b). Import of pulses is freely allowed by all importers under Open General Licence subject to registration of contracts with National Agricultural Cooperative Marketing Federation of India (NAFED). However, in view of prevailing drought situation and rising trend in prices, National Agricultural Cooperative Marketing Federation of India and State Trading Corporation of India have been asked to import pulses for augmenting the supplies in the country. Contracts for import 19432 tonnes of pulses from New Zealand and 47615 tonnes from Australia has been registered with NAFED during Financial Year 1987-88 (upto October, 1987) including 2110 tonnes from Australia by NAFED on its own account. Details of actual import during current year have not become available.

(c) Though impact of import on prices of individual pulses would depend on several factors, there has been a moderate decline in wholesale price indices of all pulses except in case of gram, in the eight weeks ending 24-10-87.

Territorial Army in Public Undertakings

***227. SHRI MULLAPPALLY RAMACHANDRAN :** Will the Minister of DEFENCE be pleased to state :

(a) whether there are proposals to raise Territorial Army units in all Public Sector Undertakings ; if so, the steps initiated in this regard ;

(b) whether all States/Union Territories have their own units of Territorial Army ;

(c) if not, the details of such of the States/Union Territories having such units ;

(d) the total strength of the Territorial Army in the country ; and

(e) whether Government have bestowed the status of ex-servicemen on retired personnel of the Territorial Army ?

THE MINISTER OF DEFENCE (SHRI K.C. PANT) : (a) There is no proposal to raise Territorial Army units in all Public

Sector Undertakings.

(b) No, Sir.

(c) Does not arise.

(d) The total sanctioned strength of the Territorial Army is 43635.

(e) Ex-servicemen status has been granted to the following categories of Territorial Army personnel :

(i) Pension holders for continuous embodied Service ;

(ii) Persons with disability attributable to military service ;

(iii) Gallantry award winners.

Export of Industrial Minerals

2056. SHRI SHANTARAM NAIK : Will the Minister of COMMERCE be pleased to state :

(a) the steps Government propose to take, if any, to increase the export of industrial minerals other than iron and manganese ore ;

(b) whether industrial minerals like bauxite, bentonite, gypsum, kaolinite etc. with proper processing beneficiation and packaging according to international standards, can fetch good international market ; and

(c) the efforts made by Government to encourage private efforts in these directives ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). While some industrial minerals having strategic importance or from conservation angle are allowed to be exported subject to some conditions, others like gypsum and kaolinite are allowed to be exported freely under OGL. Processing, beneficiation and packaging generally result in value addition of minerals.

In an effort to promote exports of minerals, including industrial minerals, benefit of 100% Export Oriented Units status have been granted to mining industry. With this, approved mining units can import duty free equipment and machinery etc., for, inter-alia, processing or beneficiation of minerals.

Internal and External Debt**2057. DR. SUDHIR ROY :****SHRI KAMLA PRASAD SINGH :**

Will the Minister of FINANCE be pleased to state :

(a) the total amount of internal debt as on 31-10-1987 ;

(b) the total amount of external debt as on 31-10-1987 ;

(c) what are the sources thereof ;

(d) whether Government are in agreement with the economists that the country is heading towards a debt trap ;

(e) if so, details thereof ; and

(f) the steps Government propose to take in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (c). The Accounts for October, 1987 are not yet available. Moreover for these transactions the accounts of a year will give more complete information than accounts for a particular month. At the end of March, 1988, the total internal debt of the Government is estimated to amount to Rs. 98151 crores and external debt to Rs. 22999 crores. Among the sources of internal debt are banks and other financial institutions, Provident Fund organisations, Statutory Bodies and organisations, Trusts, individuals etc., besides Reserve Bank of India. Details of the countries etc. from whom external assistance is received are given in Annexure 2 of the document Receipt Budget 1987-88 which was presented to Parliament with the Budget.

(d) to (f). Opinion among economists on this subject is divided. It is, however, the endeavour of the Government to keep borrowings within manageable proportions.

Shortage of Coins and One Rupee Currency Notes

2058. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state :

(a) whether there is a shortage of coins

of smaller denominations and one-Rupee currency notes ;

(b) if so, whether Government propose to undertake any steps like the increase in the number of coins being minted at present and also for setting another mint for this purpose ;

(c) if so, the details thereof ; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The Reserve Bank of India has informed that at present there are no reports of shortage of small coins in the country and also that supplies of Re. 1 notes and Re. 1 coins taken together are adequate to meet the normal demand in this denomination also.

(b) to (d). When coin shortage was felt in 1982 Government took various steps such as increase in the working hours of the Mints from 8 hours to 10 hours per day per shift coupled with an incentive scheme, addition and replacement of old coining presses, import of coin blanks, introduction of a second shift in the Calcutta Mint etc. As a result, production of coins has gone up from 525 million pieces in 1981-82 to 2895 million pieces in 1986-87. Further, to tide over the immediate coin crisis, 4000 million pieces of coins were imported. As a long term measure, the existing Mints are being modernised and a New Mint is being set up at NOIDA, UP with an annual installed capacity of 2000 million pieces of coins which is scheduled to be commissioned by 1988-89. The estimated cost of the New Mint is about Rs. 25 crores.

Export from FTZ and 100 EOUs

2059. SHRI SODE RAMAIAH : Will the Minister of COMMERCE be pleased to state :

(a) the total exports of items from Free Trade Zones (FTZ) and by 100 per cent Export-Oriented Units (EOU) etc., country-wise, during 1985-86, 1986-87 and 1987-88 so far ; and

(b) the foreign exchange earned from these exports and foreign exchange released for units in these areas for import of raw material, Plant and Machinery etc. ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). The exports from the Export Processing Zones have been as follows :

(Rs. in Crores)

Country	1985-86	1986-87	1987-88 Upto October
USA, Canada	37.61	42.30	30.11
West Europe	10.91	16.67	11.10
East Europe and USSR	235.09	248.83	122.92
Far East and Japan	35.80	43.96	26.32
Middle East	2.08	3.00	2.75
Other countries	2.69	6.06	2.26
	324.18	360.82	195.46

In respect of 100% Export Oriented Units, information is compiled on the basis of reports received from the units. According to these reports, the exports during 1985-86 were Rs. 131 crores and the provisional figure of exports during 1986-87 (upto December, 1987) is Rs. 100 crores. Details of exports during 1987-88 are not yet available. Various units have not indicated specific exports destinations. However, the major part of the exports from these units has been to the General Currency Areas.

The value of imports during the relevant period made by the units in the Export Processing Zones was Rs. 538.67 crores against the export earnings of Rs. 880.46 crores. As regards the 100% Export Oriented Units, these are situated all over the country and precise estimates for the period in question of the expenditure on import is not available. However, the terms of approval of these units require the achievement of stipulated levels of value addition which is in the range of 20 to 40%.

Central Grant to Madhya Pradesh

2060. SHRI PARASRAM BHARADWAJ : Will the Minister of FINANCE be pleased to state :

(a) the amount of Central grant allocated to the State of Madhya Pradesh during the years 1985-86 and 1986-87 so far in various forms ;

(b) whether there have been grant-in-aid in favour of the rural areas particularly remote areas of Scheduled Castes and Scheduled Tribes in view of the drought situation prevailing there ; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) A statement is given below.

(b) and (c). Ceilings of Central Assistance for drought relief was sanctioned to Madhya Pradesh as below :

1985-86	Rs. 51.11 crores.
1986-87	Rs. 21.70 crores.

Substantial part of this assistance would be spent for employment generation and water supply in drought affected rural areas for the benefit of weaker sections.

Statement

(Rs. in Lakhs)

Forms of Grant	1985-86 (R.E.)	1986-87 (B.E.)
1	2	3
1. State Plan schemes	16,551	18,431
2. Central Plan schemes	5,507	6,237
3. Centrally Sponsored schemes	15,394	17,171
4. Non-Plan Grants (a to c)	4,699	6,140
(a) Statutory Grants	3,146	4,628
(b) Grants for Natural Calamities	238	238
(c) Others	1,315	1,274
Total Grant (1 to 4)	42,151	47,979

Concessions to Small Scale Bulk-Drug Manufacturers

2061. SHRI R.M. BHOYE : Will the Minister of FINANCE be pleased to state :

(a) whether special concessions in the excise and customs duty are given to the small scale industry ;

(b) if so, whether Government is granting the concession to the small scale bulk drug manufacturers ; and

(c) if so, the details regarding the procedure adopted by Government in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) There is no scheme for giving special concessions in customs duty for goods imported by small scale units. However, there are schemes providing for concessional rates of excise duty for specified goods manufactured by small scale units.

(b) The general scheme of excise duty for the small scale units manufacturing

specified goods is applicable to Chapter 30 of the Central Excise Tariff covering Pharmaceutical Products. This will cover bulk drugs also. However, bulk drugs are also fully exempted from excise duty by a separate notification.

(c) The details of the small scale exemption scheme are provided in Notification No. 175/86-Central Excises dated 1-3-1986 of the Government of India in the Ministry of Finance (Department of Revenue), as amended from time to time.

Rubber Import

2062. SHRI AMARSINH RATHAWA : Will the Minister of COMMERCE be pleased to state :

(a) the value and the items of rubber goods exported during the last three years ; year-wise ; and

(b) whether rubber is being imported and if so, the value thereof for last three years, year-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) The value of the items of rubber goods exported during the last three years have been as under :

(Rs. in crores)

Item	Exports		
	84-85	85-86	86-87
1. Rubber manufactured products like cycle tubes, hoses, beltings, gloves, sheetings etc. etc.	35.00	55.00	32.04
2. Foot-wear (rubber and canvas with rubber soles).	3.60	5.00	5.50
3. Automobile tyres and tubes.	49.50	47.00	59.50
Total	88.10	107.00	97.04

(b) Yes, Sir. Rubber is being imported to meet the gap between demand and supply. The value of rubber imports for the last three years has been as under :

(Rs. in crores)

Year	Value
1984-85	35.29
1985-86	37.13
1986-87 (P)	39.63

(P) Figures provisional.

Raw Material Import Under OGL to Export and Trading Houses

2063. SHRIMATI JAYANTI PAT-NAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have expanded the facility for raw material import under Open General Licence (OGL) to Export and Trading Houses ; and

(b) if so, the details of the facilities expanded and the date from which such facilities are going to be expanded ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Yes, Sir.

(b) 554 more items are now available for import under OGL to Export and Trading Houses. These items were previously available for import only to Actual Users. The details were announced vide Public

Notice No. 222-ITC (PN)/85-88 dated 15-10-87, copies of which are available in the Parliament Library.

Revision of Pay Scales of Class III Bank Employees

2064. SHRI KAMLA PRASAD SINGH : Will the Minister of Finance be pleased to state :

(a) whether the pay scales of class III bank employees have been finalised ;

(b) if so, the details thereof ;

(c) the date from which these scales will be effective ;

(d) whether there is any proposal to bring the bank employees under the pension scheme ; and

(e) if not, whether there is any proposal to increase the provident fund amount keeping in view the increase in the pensionary benefits of Government employees ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (e). The pay scales etc. of workmen staff of public sector banks have not been finalised. Negotiations have, however, commenced between the Indian Banks' Association (IBA) which represents the management side and the All India Unions. The details of issues to be so decided will be announced on completion of the negotiations.

Credit Deposit Ratio

2065. SHRI R.P. DAS : Will the

Minister of FINANCE be pleased to state :

(a) total amount of credit advanced by the banks State/Union Territory-wise (in rupees) as at the end of December, 1986 ;

(b) State-wise, credit deposit ratio of the banks as at the end of December, 1986 ; and

(c) the factors responsible for low credit-deposit ratio in the eastern zone in general and West Bengal in particular ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The

State-wise outstanding advances and credit-deposit ratio of all Scheduled Commercial Banks, as at the end of December 1986, are set out in the statement below.

(c) The credit deposit ratio in any particular region depends upon several factors like the level and growth of economic activity, quantum of deposits mobilised by banks, credit absorbing capacity of the region, level of infrastructural facilities, availability of viable bankable schemes, recovery expectations etc. A mix of these factors has been broadly responsible for the lower credit : deposit ratio in some of the States in the Eastern Zone, including West Bengal.

Statement

(Amount in Rs. crores)

State/Region/ Union Territory	Advances	Credit : Deposit Ratio (%)
1	2	3
I. Northern Region :	12314	54.7
Haryana	1236	66.1
Himachal Pradesh	264	39.9
Jammu and Kashmir	421	43.1
Punjab	2394	44.3
Rajasthan	1696	65.9
Chandigarh	1240	164.7
Delhi	5064	49.3
II. North-Eastern Region :	829	45.8
Assam	603	51.4
Meghalaya	42	27.4
Manipur	29	67.8
Nagaland	41	42.1
Tripura	75	62.5
Arunachal Pradesh	13	24.6
Mizoram	11	9.9
Sikkim	15	26.3
III. Eastern Region :	8099	49.3
Bihar	1787	38.0

1	2	3
Orissa	1067	83.3
West Bengal	5235	50.3
Andaman and Nicobar Islands	10	37.8
IV. Central Region :	6807	47.5
Madhya Pradesh	2264	60.9
Uttar Pradesh	4543	42.8
V. Western Region :	19053	73.4
Gujarat	3462	55.8
Maharashtra	15313	81.0
Goa, Daman and Diu	273	32.5
Dadra and Nagar Haveli	4	66.8
VI. Southern Region :	17575	81.4
Andhra Pradesh	4602	79.6
Karnataka	4327	85.7
Kerala	2530	61.1
Tamil Nadu	6031	93.5
Pondicherry	84	50.2
Lakshadweep	1	27.8
All-India	64677	63.0

Note : 1. Total may not add up due to rounding differences.

2. Data are provisional.

[Translation]

Revenue Collections

2066. SHRI KAMLA PRASAD RAWAT : Will the Minister of FINANCE be pleased to state :

(a) the percentage of increase in the revenue collections during the first six months of the current year in comparison with the revenue collection made during the corresponding period of previous year ;

(b) if the collection of revenue is not more, the reasons therefor ; and

(c) the measures being adopted by Government to increase the collection of revenue ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) The percentage of increase in revenue collection during the first six months of the current year is as under :

	Collection during first six months of 1986 (Rupees in crores)	Collection during first six months of 1987	Percentage of increase (%) (+)
Central Excise and Customs	12188.18	13854.55	13.67
Income Tax	2002.81	2302.57	14.96
Wealth Tax	58.20	59.87	2.83
Gift Tax	4.13	6.09	47.45

(b) and (c). Does not arise.

[English]

**Appointment of Malayalam Knowing
Officers at Bombay Airport**

2067. SHRI SURESH KURUP : Will the Minister of FINANCE be pleased to state :

(a) whether a large number of people from Kerala who know only Malayalam have to go through the customs office at Sahar International Airport, Bombay ;

(b) whether these people find it very difficult to deal with officers who do not know Malayalam ; and

(c) whether Government would consider appointing more officers who know Malayalam in order to help these travellers ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Yes, Sir.

(b) and (c). Sufficient number of Air Customs Officers and Superintendents knowing Malayalam are posted at Sahar Air Port, Bombay. There should, therefore, be no difficulty for the passengers knowing only Malayalam, as in the case of their stay in countries abroad where no Malayalam is spoken.

Appointments in MMTC and STC

2068. DR. B.L. SHAILESH : Will the Minister of COMMERCE be pleased to state :

(a) whether any rules have been fram-

ed or norms laid down for appointment to the lower, middle and senior level posts in the managerial cadre in the State Trading Corporation (STC) and Minerals and Metals Trading Corporation of India (MMTC) ;

(b) if so, whether he will lay on the Table of the House a copy thereof ;

(c) if not, the reasons therefor and in what manner time-scale promotions to these categories of managerial posts are being made at present ; and

(d) which is the authority delegated powers to make appointments to these posts from the existing managerial cadre in these two Corporations ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). MMTC has framed Recruitment Rules and Promotion policy for posts in the managerial cadre. These are—

- (i) MMTC (Officers) Recruitment Rules.
- (ii) MMTC (Staff) Promotion Policy, 1984, and
- (iii) MMTC (Officers) Promotion and Transfer Policy, 1985.

In the case of STC, appointment to lower, middle and senior level posts in the managerial cadre are made by recruitment and promotions. For filling up posts by recruitment, advertisements are given in leading dailies of the country and campus recruitment of managerial trainees is also made from Management Institutes of repute.

In the case of promotions, appointments are made as per the provisions of STC (Officers) Promotion policy, 1985 and Time-bound Promotion Policy Settlement with Federation of STC Employees' Unions, 1985.

There is no proposal to lay these Rules/norms on the Table of the House.

(d) In MMTC, powers to make appointments are delegated to Chairman and Executive Director (Personnel).

In the case of STC, the authority to make appointments to the posts upto the level of Chief Marketing Manager vests with the Executive Director (Personnel) and for posts upto the level of Assistant Managers with Chief General Manager(Personnel). These Promotions are approved by the Promotion Committee of STC as per the provisions of STC (Officers) Promotion policy, 1985.

SAARC Interse Trade

2070. SHRI SYED SHAHABUDDIN : Will the Minister of COMMERCE be pleased to state :

(a) the total value of import and export by South Asian Association for Regional Cooperation (SAARC) countries during 1986-87 for the last year for which the figures are available ;

(b) the total value of their import from each other ; and

(c) the total value of their exports to each other ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) Global exports and imports and imports of India, Nepal, Bhutan, Bangladesh, Sri Lanka, Pakistan and Maldives for 1985 are given below :

US\$ Million

Name of country	Exports	Imports
India	10260	14608
Bangladesh	999	2772
Nepal	161	459
Pakistan	2740	5890
Sri Lanka	1333	1832
Bhutan	N.A.	N.A.
Maldives	N.A.	N.A.

(Source : World Development Report, 1987 of World Bank).

(b) and (c). Total value of imports and exports of SAARC countries from each other are given below :

Country	Year	Export	Import
Nepal	Information not available.		
Bhutan	Information not available.		
Bangladesh	1985-86	145.07	276.74 (Value in Taka crores)
Sri Lanka	1985-86	58.45	144.35 (Value US \$ million)
Pakistan	1985-86	241.87	154.76 (Value Pak Rs. crores)
Maldives	Information not available.		
India	1985-86	388.19	96.41 (Value Indian Rs. crores).

Food Fairs for Export Promotion

2071. SHRI NARSINGRAO SURYAWANSHI : Will the Minister of COMMERCE be pleased to state :

(a) whether his Ministry has finalised a list of special food fairs with a view to promoting Indian marine products ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). For promoting Indian marine products, the following specialised food fairs have been selected so far.

- (i) International Food Fair of Scandinavia (Copenhagen), April, 1987.
- (ii) Anuga World Food Market, Cologne (F.R.G.), October, 1987.
- (iii) Hoteres and Foodex Fair, Tokyo (Japan), March, 1988.

[Translation]

Problems of Tea Industry

2072. DR. CHANDRA SHEKAR TRIPATHI : Will the Minister of COMMERCE be pleased to state :

(a) whether Government are aware about the genuine problems faced by Tea Industry ; and

(b) if so, whether the problems of the tea industry are proposed to be considered, and the time by which these problems are likely to be resolved to promote the industry ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). Yes, Sir. Government is seized of the genuine problems of Tea Industry. After deliberation with the Tea Industry the following steps have been initiated by the Government.

- (i) Constitution of a Committee headed by Chairman, Tea Board to formulate long term strategy and plan for tea.
- (ii) Constitution of a National Committee on Tea Research.

(iii) Raising of a Corpus for Tea Research and development with matching contributions from NABARD and Tea Industry.

(iv) Announcement of a Scheme of Awards for achievement in productivity.

(v) Leading Tea Exporters have been asked to draw up their Export Plans for next 5 years as part of their Corporate plan. The National Committee of productivity has been asked to submit its report within a period of 6 months. Steps initiated as per (ii), (iii), (iv) and (v) are on-going activities.

[English]

Steps to Improve Handloom Sector

2073. SHRI C. SAMBU : Will the Minister of TEXTILES be pleased to state the steps taken or proposed to be taken for reduction in prices of handloom sector inputs namely, dyes, chemicals and yarn to save million of handloom weavers in the country ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : Cotton hank yarn is the basic and predominant raw material used by handloom weavers. The Central Government have been making efforts to ensure regular supply of hank yarn to the handloom sector at reasonable prices through various measures. These are as follows :

- (i) The hank yarn obligation scheme is one such measure. Under this scheme, every producer of yarn is obliged to pack at least 50% of the total yarn packed for civil consumption in hank form, and not less than 85% of the yarn so packed has to be in counts of 40s and below.
- (ii) The Central Government also gives loan assistance to the National Cooperative Development Corporation (NCDC) for setting up of new weavers cooperative spinning mills and expanding the capacity of the existing weavers cooperative spinning mills in various States in order to build up captive production for

the handloom sector. During the 6th Plan Period and previous 2 years of the 7th Plan Period, Central Government have financed 20 new weavers cooperative spinning mills and 6 cases of expansion and released an amount of Rs. 48.34 crores to the NCDC. It is expected that all these 20 new mills will be completed during the 7th Plan Period, resulting in an additional spindlage of 5.84 lakh spindles.

(iii) The Central Government have also requested the State Governments to take such steps as are necessary to pool the hank yarn produced by spinning mills in the State/Cooperative sector for supply at reasonable prices to State Handloom Organisations.

(iv) The Central Government has also recommended to the States the system prevailing in certain States like Tamil Nadu, Orissa and Andhra Pradesh, where a yarn Price Fixation Committee under the Director of Handlooms meets regularly to decide the price at which the yarn will be sold to the organisations in the handloom sector.

(v) In addition, in order to ensure regular supply of yarn at reasonable prices, the Government of India have set up the National Handloom Development Corporation (NHDC) primarily with the objective of arranging the supply of yarn to the handloom sector at reasonable prices. During the year 1986-87, NHDC has supplied 28.08 lakh kgs. of yarn valued at Rs. 8.23 crores to various State handloom organisations. NHDC also supplied dyes and chemicals valued at Rs. 132.90 lakhs during 1986-87.

[Translation]

Size Based Excise Duty on Cigarette

2074. SHRIMATI USHA RANI TOMAR : Will the Minister of FINANCE be pleased to state :

(a) the extent of increase or decrease in the revenue receipts in the form of excise duty on cigarettes after introduction of new system of excise duty based on the size of cigarette ; and

(b) the action proposed to be taken by Government in case there has been a fall in revenue receipts ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). The extent of increase in excise revenue from cigarettes during the first six months of the current financial year over the realisation during the corresponding period of the previous year is a little over eight per cent.

[English]

Appointment of Chairman, Central Excise Department

2075. SHRI C.K. KUPPUSWAMY : Will the Minister of FINANCE be pleased to state :

(a) whether the Central Excise Department is still without a Chairman ; and

(b) if so, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B K. GADHVI) : (a) No, Sir.

(b) Does not arise.

Bank Frauds in Gujarat

2076. SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI :

SHRI UTTAMBHAI H. PATEL :

Will the Minister of FINANCE be pleased to state :

(a) whether a number of cases of frauds and cheating have occurred in various nationalised banks in Gujarat during 1st January, 1986 and 31st October, 1987 ;

(b) if so, the details thereof ;

(c) whether some bank employees and officials are also involved therein ;

(d) if so, the details thereof ; and

(e) the action taken against each of them and the steps taken to recover the bank money ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b) Reserve Bank of India has reported that the present system of compilation of data relating to cases of frauds does not generate State-wise information. RBI has further reported that the banks report all cases of frauds, including misappropriation, cheating and forgery,

criminal breach of trust, credit facilities extended for reward or for illegal gratification, fraudulent encashment, manipulation of books of accounts or through fictitious accounts and conversion of property, negligence, irregularities in foreign exchange transactions and other corrupt practices. The RBI has also reported that the total number of cases of frauds in India reported to it by the Public Sector Banks during the years 1986 and 1987 (upto 30-9-87) is as given below :

Year	No. of frauds	Amount involved (Rs. in crores)
1986	1822	44.22
1987 (upto 30 9-87)	1456	23.47

(Data provisional)

Reserve Bank of India has further reported that the amounts involved in cases of frauds do not necessarily represent the actual losses which the bank may have ultimately to suffer.

intimated that, as reported by Public Sector Banks, during the years 1986 and 1987 (upto 30-6-87), the number of delinquent officials who have been awarded punishment for their involvement in cases of frauds is given below :

(c) 'o (c). Reserve Bank of India has

	1986	1987 (upto 30-6-87)
(a) No. of employees convicted on charges of frauds	51	46
(b) No. of employees given major/minor penalties	683	370
(c) No. of employees out of (b) above dismissed/discharged/removed	291	137

(Data provisional)

RBI has also reported that banks generally have securities to cover advances made by them. Besides, banks also file civil and criminal complaints and lodge claims with insurance companies and seek appropriate relief.

Top Executives in STC and MMTC

2077. SHRI PRAKASH V. PATIL :

SHRI K.P. UNNIKRISHNAN :

Will the Minister of COMMERCE be

pleased to state :

(a) whether it is a fact that both STC and MMTC are without top executives ;

(b) if so, the reasons for their resignation and the dates when their resignations came into force ;

(c) whether Government are aware that short duration tenure of the Chief Executives in those organisations have affected their working severely ; and

(d) if so, whether Government have appointed new Chairman and other remedial steps being taken by Government ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). Both the Chairmen of STC and MMTC resigned from their posts for personal reasons and their resignations were accepted with effect from 8th October, 1987 and 17th September, 1987 respectively.

(c) and (d). The working of STC and MMTC has not been affected adversely on account of the resignations of the chief executives. In fact, the total trade turnover of STC increased to Rs. 2735 crores in 1986-87 from Rs. 2551 crores in 1985-86. In the case of MMTC, the trade turnover in 1986-87 declined to Rs. 2782 crores from Rs. 3000 crores in 1985-86. The decline was mainly due to the fact that MMTC had to cut down their imports of fertilizers in 1986-87 due to restricted demand in the domestic market. There was, however, increase in MMTC's exports and domestic trade in 1986-87 as compared to 1985-86.

As an interim measure, Government have already made appointments to the posts of Chairmen, STC and MMTC. Steps have also been initiated to make regular appointments to these posts.

Revamping of Marine Products Export Development Authority

2078. SHRI R.S. MANE :

SHRI GURUDAS KAMAT :

Will the Minister of COMMERCE be pleased to state :

(a) whether Government are considering to revamp the existing membership of Marine Products Export Development

Authority (MPEDA) ;

(b) whether fair representation will be giving to the fishermen of Maharashtra in the new setup ; and

(c) if not, the steps taken to protect the fishermen of Maharashtra from the price manipulations of the exporter-dominated MPEDA ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). It is not proposed to reconstitute the existing membership of MPEDA, before the expiry of its normal term of 3 years. The MPEDA, in its present form is adequately represented to look after the interests of fishermen of Maharashtra also.

Setting up an International Cardamom Community

2079. SHRI VAKKOM PURUSHOTHAMAN : Will the Minister of COMMERCE be pleased to state :

(a) whether Government propose to initiate a move to set up an International Cardamom Community ;

(b) if so, the details thereof ;

(c) whether Government have had discussions with any cardamom producing country in this regard ; and

(d) if so, the response of other cardamom producing countries ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) No, Sir.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

Assistance to Sick Industrial Units by BIFR

2080. SHRI K. RAMAMURTHY : Will the Minister of FINANCE be pleased to state :

(a) the details of sick industrial units which have been restructured with the help of the Board for Industrial and Financial Reconstruction (BIFR) which came into existence from 12th January, 1987 ; and

(b) the State-wise, break-up of medium and large scale companies, which have reported to the Board about 50 per cent erosion of their net worth, and the assistance given to them by the Board for Industrial and Financial Reconstruction ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The Board of Industrial and Financial Reconstruction (BIFR), has been set up under the

provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. It became operational with effect from 15th May, 1987. The BIFR has reported that 261 cases have so far been registered with it under section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 which are at different stages of proceedings under the Act. The BIFR has also informed that reports in 71 cases were filed with it under section 23 of the Act and the State-wise break-up is as follows :

Sl. No.	Name of State	Nos. of reported cases
1.	Maharashtra	11
2.	West Bengal	12
3.	Karnataka	12
4.	Kerala	4
5.	Tamil Nadu	4
6.	Andhra Pradesh	9
7.	Madhya Pradesh	3
8.	Orissa	2
9.	Haryana	1
10.	Himachal Pradesh	1
11.	Uttar Pradesh	5
12.	Chandigarh (U.T.)	1
13.	Gujarat	2
14.	Rajasthan	3
15.	Punjab	1

These reports are being processed by the BIFR in accordance with the provisions of the Act.

[Translation]

Financial Crisis in Jute Industry

2081. SHRI BALWANT SINGH RAMOOWALIA :

DR. CHINTA MOHAN :

SHRI CHINTAMANI JENA :

Will the Minister of TEXTILES be pleased to state :

(a) whether Jute Industry is facing financial crisis at present ;

(b) if so, whether the prices of raw jute have increased during the last few months ;

(c) whether this industry is facing difficulty in selling its products ; and

(d) if so, the details of the action taken by Government ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS)

MIRDHA) : (a) Most of the jute mills are reported to be incurring losses as per their annual accounts.

(b) Raw jute prices started firming up from mid-September, 1987 and are now reported to be above the statutory minimum price in almost all up-country markets.

(c) No, Sir.

(d) Does not arise.

**Setting Up of Common Machine Service
Centre for Leather Goods and Garments
Industries**

2082. SHRI SHANTI DHARIWAL : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the highest export from the country is that of leather goods and garments ;

(b) if so, whether Government propose to improve successively the standard of export goods by providing sophisticated machinery to these industries ;

(c) if so, whether these industries have suggested to Government to set up a Common Machine Service Centre :

(d) if so, whether Government have considered the suggestion of these industries ; and

(e) if so, the details thereof and if not, the reasons therefor ?

**THE MINISTER OF STATE IN THE
MINISTRY OF COMMERCE (SHRI P.R.
DAS MUNSI) :** (a) No, Sir.

(b) to (e). Do not arise.

[English]

Drought Relief Fund

2083. SHRI E. AYYAPPU REDDY : Will the Minister of FINANCE be pleased to state whether Government propose to set up a drought relief revolving fund on a permanent basis ?

**THE MINISTER OF STATE IN THE
DEPARTMENT OF EXPENDITURE IN
THE MINISTRY OF FINANCE (SHRI
B.K. GADHVI) :** No such proposal is presently under consideration of the Government. However, the terms of reference of

the Ninth Finance Commission include, among others, the following :

"The Commission may review the policy and arrangements in regard to the financing of relief expenditure by the States affected by natural calamities and suggest such modifications it considers appropriate, in the existing arrangements, having regard, among other considerations, to the need for avoidance of wasteful expenditure. The Commission may examine, inter alia, the feasibility of establishing a national insurance fund to which the State Governments may contribute a percentage of their revenue receipts".

[Translation]

**Handloom Technology Training Institute in
Madhya Pradesh**

2084. SHRI MAHENDRA SINGH : Will the Minister of TEXTILES be pleased to state :

(a) whether Madhya Pradesh Government has sent a proposal to Union Government for the setting up of a Handloom Technology Training Institute in the State ; and

(b) if so, the time by which a decision is likely to be taken thereon ?

**THE DEPUTY-MINISTER IN THE
MINISTRY OF TEXTILES (SHRI S.
KRISHNA KUMAR) :** (a) Yes, Sir.

(b) Taking into account the number of handlooms in the State of Madhya Pradesh as compared to other States, setting up of an Institute of Handloom Technology in Madhya Pradesh by the Central Government is not considered a priority item during the Seventh Plan. However, the number of seats provided to the candidates of Madhya Pradesh in the Indian Institute of Handloom Technology, Varanasi has been increased from three to six last year.

[English]

Self Employment Programme for Urban Poor

2085. DR. A.K. PATEL : Will the Minister of FINANCE be pleased to state :

(a) the number of beneficiaries State-

wise during 1986-87 of the Self Employment Programme for the urban poor ;

(b) the total credit sanctioned and disbursed during 1986-87 and its break-up, State-wise ;

(c) the break-up of beneficiaries and the total amount sanctioned and disbursed, trade or profession-wise ; and

(d) the number of applications received and rejected, State-wise during 1986-87 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a), (b) and (d). The State-wise details of the number of applications received, loans sanctioned, disbursed and applications rejected during 1986-87 under Self-Employment Programme for Urban Poor are set out in the Statement below.

(See columns 83—86).

(c) The Reserve Bank of India has reported that trade/profession-wise break up of beneficiaries and amount sanctioned and disbursed are not being collected under Self-Employment Programme for Urban Poor (SEPUP). However, banks have been advised by Reserve Bank of India to furnish the number and amount sanctioned under the following four broad groups of activities :

- (i) Small Vendors/shops,
- (ii) Artisans/Craftsmen,
- (iii) Servicing units,
- (iv) Other activities.

This information is being collected and will be laid on the Table of the House to the extent possible.

Uniform Accounting Year

2086. SHRI PRAKASH CHANDRA :

SHRI DHARAM PAL SINGH MALIK :

SHRI M. RAGHUMA REDDY :

SHRI KRISHNA SINGH :

Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to

make uniform Accounting Year throughout the country for all assesseees and for an enlargement of the scope of tax deduction at source ; and

(b) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Yes, Sir.

(b) Does not arise.

Loss Suffered and Advance Given to NTC

2087. SHRI C. JANGA REDDY : Will the Minister of TEXTILES be pleased to state :

(a) the total losses incurred by NTC and loans advanced to it up to October 31, 1987 ;

(b) whether various steps have been taken to prevent losses and loans and in spite of that the losses of NTC Mills are on the increase ; and

(c) if so, the conclusions drawn ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) The cumulative losses incurred by the NTC nationalised and managed mills upto 31st October, 1987, workout to Rs. 1230.09 crores (provisional). Upto 31st October, 1987, an amount of Rs. 1000.82 crores has been given as loan to NTC.

(b) and (c). The performance of NTC is reviewed by the Government periodically. NTC has issued guidelines for formulation of mill-specific Action Plans to improve their performance.

Issue of Bonds by IDBI

2088. SHRI SRIHARI RAO : Will the Minister of FINANCE be pleased to state :

(a) whether there is a proposal to issue Rs. 272.75 crore bonds by the Industrial Development Bank of India ; and

(b) if so, the main features of this proposal ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The

Statement

(Amount in lakhs of Rs.)

Sl. No.	Name of the State/ Union Territory	Applications received	Loans sanctioned		Loans disbursed		Applications rejected by branches	Position as on
			No.	Amount	No.	Amount		
1.	Andhra Pradesh	94244	27361	921.28	24278	817.47	8195	March '87
2.	Assam	N.A.	1497	62.90	1338	52.89	401	-do-
3.	Bihar (Partial)	N.A.	12985	545.08	10702	415.77	3020	-do-
4.	Gujarat	29081	16537	523.34	14276	422.28	7194	-do-
5.	Haryana	N.A.	8462	312.64	6883	250.13	3208	-do-
6.	Himachal Pradesh	N.A.	341	N.A.	333	N.A.	22	-do-
7.	Jammu and Kashmir	8269	1457	47.11	1138	37.58	1149	-do-
8.	Karnataka	29300	16577@	565.68@	16169@	537.81@	6235	-do-
9.	Kerala	13676	10916	420.08	10504	390.74	1005	-do-
10.	Madhya Pradesh	32482	20756	N.A.	14519	N.A.	6881	-do-
11.	Maharashtra	N.A.	34457	979.52	28975	880.04	11225	-do-
12.	Manipur	N.A.	411	18.06	365	15.77	N.A.	-do-
13.	Meghalaya	56	43	N.A.	43	N.A.	1	Jan. '87
14.	Nagaland	N.A.	66	3.13	66	3.13	13	March '87
15.	Orissa	N.A.	7387	286.05	6150	227.79	1954	-do-
16.	Punjab	N.A.	12374	438.23	10157	365.71	2477	-do-

17. Rajasthan	100137	19813	699.72	13590	464.68	5273	-do-
18. Tamil Nadu	80981	38092	1038.70	34179	924.82	11856	-do-
19. Tripura	1695	444	N.A.	159	N.A.	42	Dec. '86
20. Uttar Pradesh	N.A.	32944	1284.04	21806	767.27	8568	March '87
21. West Bengal	64231	18973	N.A.	9478	N.A.	1853	Feb. '87
22. Andaman and Nicobar Islands	226	115	N.A.	110	N.A.	2	March '87
23. Arunachal Pradesh	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
24. Chandigarh	3411	1118	30.98	621	17.53	372	March '87
25. Goa, Daman and Diu	N.A.	373	16.27	369	15.39	196	25-3-1987
26. Mizoram	N.A.	90	4.50	60	3.00	17	Dec. '86
27. Pondicherry	420	142	4.57	130	4.06	16	March '87
28. New Delhi	120201	19565	426.21	15447*	340.80*	13966	-do-
Total	578410	303296	8628.09	241845	6962.66	95141**	

@ Figures pertain to Canara Bank, Syndicate Bank, Corporation Bank and Vijaya Bank only.

* Figures relate to 20-4-1987.

** Data provisional.

Figures pertain 17 banks.

Industrial Development Bank of India (IDBI) excess subscription upto Rs. 27.25 crores in September, 1987 on the terms and conditions indicated below :

has reported that it had issued its 46th Series of bonds for a notified amount of Rs. 272.75 crores with a right to retain

1. Issue Price : At Par
2. Rate of Interest : 11% per annum payable half yearly
3. Currency : 15 years
4. Date of Maturity : 23rd September, 2002.

Assistance to Indian Projects Abroad

by such organisations to these joint venture projects separately since 1983 ?

2089. SHRI BHATTAM SRIRAMA MURTY : Will the Minister of COMMERCE be pleased to state :

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Yes, Sir.

(a) whether the EXIM Bank has been assisting Indian industrialists to set up projects abroad ;

(b) There is no other financial organisation in India which extends equity finance or gives loans against equity to Indian promoter companies for setting up joint ventures abroad.

(b) the other organisations which are similarly involved in the promotion of joint ventures abroad ; and

(c) the amount of assistance sanctioned

(c) A Statement is given below.

Statement

Sl. No.	Name of Borrower	Country	Date of Sanction	Amount Sanctioned (Rs. in lacs)
1.	Star Marketing and Services	Thailand	26-04-83	17.60
2.	Indian Products Trading Co.	Kenya	13-06-83	11.50
3.	Shri Ambica Mills Ltd.	Thailand	15-07-83	25.00
4.	Bengal Waterproof	Sri Lanka	01-10-82 and 29-11-84	49.97
5.	Unique Pharmaceuticals	Nigeria	24-05-85 and 02-12-85	21.49
6.	Steel Tubes of India Limited	Singapore	18-03-85	15.90
7.	Ballarpur Industries Ltd.	Seychelles	29-11-84	84.00
8.	Orissa Industries Limited	Nepal	27-07-87	28.80
Total				254.26

Export of Jewels

2090. SHRI P.M. SAYEED : Will the Minister of COMMERCE be pleased to state :

(a) whether the export of gems, jewels, precious and semi-precious stones has increased as compared to last three years ;

(b) if so, the details of the increase in each case in terms of foreign exchange earned by India during the current financial year so far ;

(c) whether the exporters are facing some operational and policy problems in this specific trade ; and

(d) if so, the remedial measures adopted by Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). Yes, Sir. A Statement is given below.

(c) and (d). Government has taken a number of steps for simplifying and streamlining the export procedure. There is a constant interaction with the trade in order to evolve measures to boost exports in this sector.

Statement

Details of the Foreign Exchange earned during April-September 87 and the last three years compiled by the Gem and Jewellery Export Promotion Council are shown below :

(Rs. crores)

Item	Exports					+ (Increase) — (Decrease) (for current financial year over previous year)
	1984-85	1985-86	1986-87	Apr.-Sep. 1987-88	Apr.-Sep. 1986-87	
Diamonds	1172.08	1344.25	1959.73	1159.16	908.10	+251.06
Precious/ Semi pre- cious	35.12	45.65	61.14	39.49	26.32	+13.17

Cash Compensatory Support to Jute Industry

[Translation]

2091. SHRI BASUDEB ACHARIA : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government are working out a package including a higher cash compensatory support to help the jute industry ; and

(b) if so, the details thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) No, Sir.

(b) Does not arise.

Raids on Different Categories of Persons

2092. SHRI VIRDHI CHANDER JAIN : Will the Minister of FINANCE be pleased to state :

(a) the number of the Income-tax Officers, political leaders and administrative officers whose premises were raided during the last three years ; and

(b) the total revenue received through these raids ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI B.K.

GADHVI) : (a) and (b). The information is being collected and will be laid on the Table of the House.

[English]

Export of Textile Material

2093. SHRI SOMNATH RATH : Will the Minister of TEXTILES be pleased to state :

(a) the value of textile material exported during the current year and previous year ;

(b) what type of textile goods are popular in foreign countries ; and

(c) the steps being taken to expand the sale of Indian textile material outside the country ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) The value of cotton textiles and clothing exported during the current years and previous year is as indicated below :

Year	(Rs. in crores) (Provisional)
1987-88 (April-Sept.)	1553.13
1986-87 (April-Sept.)	936.85

Source : Cotton Textile Export Promotion Council and AEPC.

(b) Our major exports are cotton yarn, cotton fabrics, cotton made-up and cotton garments.

(c) A statement is given below.

Statement

The following steps have been taken to boost the export of textile goods :

(i) Sophisticated garment manufacturing machines not manufactured indigenously are allowed to be imported on OGL. As many as

119 machines for garment and hosiery manufacture have been placed under OGL, 97 of them enjoying concessional import duty.

(ii) The Government permits import of 4 types of sophisticated textile machines at a concessional rate of import duty of 25% provided the importer exports 5 times the value of machinery over and above the average exports of the exporter during the preceding 3 years. In addition to the existing scheme, the modified export obligation scheme permits imports with an export obligation for exporting 75% of the production for 5 years. The importer is allowed to choose any one of the two export obligations.

(iii) A textile modernisation fund of Rs. 750 crores has been created for facilitation of modernisation of Textile Industry.

(iv) A long term policy for the export of cotton yarn with liberal ceilings has been announced. The ceiling for the year 1987 has recently been increased from 40 million kgs. to 75 million kgs. for cotton yarn of counts upto 60s. There is no restriction on the export of cotton yarn above counts 60s.

(v) In order to encourage improvement in the quality of cotton yarn, excise duty on auto-coners manufactured domestically has been reduced from 15% to 5% w.e.f. 11-5-1987.

(vi) Revised rates of CCS have been announced effective from 1st July, 1986. These rates have been announced for a period of 3 years and are generally higher than before. Slow moving items of garments on which CCS was not admissible when exported to quota countries have been made eligible for CCS. CCS on export of cotton yarn of all counts has been allowed @ 8% from 29th August, 1986. CCS on export of grey fabrics has been raised to 10% w.e.f. 13-2-1987.

(vii) Cotton garments and textiles have

been brought under the scheme of Contract Registration with a view to providing an element of certainty to exporters in the matter of CCS.

(viii) The fashion Technology Institute in Delhi for education, research and training in the areas of fashion design for garment manufacture has been set up.

(ix) The duty drawback rates for cotton garments have been increased to 10%.

(x) The number of days of pre-shipment credit has been increased from 90 days to 180 days. The rate of interest has also been reduced by 2.5%.

(xi) Many items of raw material/fabrics are permitted to be imported under Duty Free REP Scheme and the Import-Export Pass Book Scheme.

(xii) The scope of Advance Licensing and Pass Book Schemes has been widened and procedures simplified.

(xiii) Under 100% Export Oriented Units and Free Trade Zones Scheme, facilities for liberal import of capital goods and raw materials alongwith many other concessions are given.

(xiv) Government has been giving liberal assistance for sponsoring and funding promotional activities such as market studies, buyer-seller-meets, participation in international fairs and exhibitions.

(xv) Permission for use of foreign brand names for domestic sales has been approved in the case of readymade garments with the stipulation that only indigenous fabrics are used; at least 75% of the production is exported and no royalties are allowed on domestic sales.

(xvi) The agency commission has been increased and rules for blanket permission for foreign exchange have been substantially liberalised.

Value of Rupee

2094. SHRI S.G. GHOLAP : Will the Minister of FINANCE be pleased to state :

(a) whether the value of rupee is declining very sharply ; and

(b) if so, the value of rupee in 1960-61 upto 1987-88, year-wise ?

THE MINISTER OF STATE IN THE DEPARTMENT OF FINANCE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). The requisite information is given in the statement below.

Statement

All India Consumer Price Index for Industrial Workers (Base Shifted to 1960-61=100 from 1960=100)

Year	Index	Value of Rupee (in Paise)@
1	2	3
1960-61	100	100.00
1961-62	102	98.04
1962-63	106	94.34
1963-64	111	90.09
1964-65	126	79.37

1	2	3
1965-66	136	73.53
1966-67	154	64.94
1967-68	172	58.14
1968-69	171	58.48
1969-70	174	57.47
1970-71	182	54.95
1971-72	188	53.19
1972-73	203	49.26
1973-74	245	40.82
1974-75	311	32.15
1975-76	307	32.57
1976-77	295	33.90
1977-78	318	31.45
1978-79	325	30.77
1979-80	353	28.33
1980-81	393	25.45
1981-82	442	22.62
1982-83	476	21.01
1983-84	536	18.66
1984-85	571	17.51
1985-86	608	16.45
1986-87	661	15.13
1987-88 (upto September)*	705	14.18

*Latest available.

@Measured as the reciprocal of the Consumer price Index for Industrial Workers.

**Loss Suffered by State Bank of Indore
Due to Guarantee Given by its Officers**

2095. SHRI RAJ KUMAR RAI :
Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 4910 on 26 August, 1987 regarding loss to State Bank of Indore due to guarantee given by its Officers and state :

(a) the amount involved in connection of giving guarantee for eleven firms by this branch ; and

(b) the action taken against the officers responsible therefor and names of such officers ?

**THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI JANAR-**

DHANA POOJARY : (a) and (b). State Bank of Indore has reported that the amount involved in the guarantee issued by its Connaught Place, New Delhi Branch during the period 1-7-86 to 30-7-87 on behalf of 11 firms aggregated to Rs. 1.66 crores. The Bank has further reported that investigations into the lapses in issuing these guarantees are in process. The action to be taken could be determined only after the investigations are completed.

Production of Silk

2096. SHRI AMAL DATTA : Will the Minister of TEXTILES be pleased to refer to the reply given to Started Question No. 144 on 6 March, 1987 regarding competition in inter-national silk market and state :

(a) whether the efforts to improve the quality of silk through superior strains of Mulberry and Silk worms have been started ; and

(b) if so, since when and the details of the steps taken so far and results achieved ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) CSB has established two full-fledged Research Institutes viz., CSR & TI, Mysore (Karnataka) and Berhampore (W.B.) for extending R & D support for the development of mulberry sericulture. The Research Institutes have evolved high-yielding strains of mulberry food plants and highly productive silk worm breeds, the details of which are as under :

- (i) The CSR & TI, Mysore has evolved 5 superior highly productive mulberry strains viz. S30, S34, S36, S41 and S54. After multilocal trials these varieties have shown an improvement of 40-70% more leaf yield over local K₂ variety of mulberry strains. As regards silkworm races this institute has evolved highly productive superior bivoltine breeds, such as NB₇, NB₁₈, NB_{4D}, CCI etc., and PCN hybrid for dry farming conditions.

- (ii) The CSR & TI, Berhampore has also evolved new high-yielding mulberry varieties viz. S1635, S1726, S1708, C1730 and C1733. After multilocal trials these varieties have shown an improvement of approx. 21% more leaf yield over existing S₁ and S799 varieties. This Institute has also evolved an improved silkworm hybrid viz., NXG race, a combination of multivoltine NISTRI with bivoltine G race, which is comparatively better than traditional races.

As a result of research findings, the average production of raw silk per hectare which stood at 25 kgs. only has been stepped upto 32.5 kgs. in a span of 10 years, while cutting down the renditta from 17 to 10.

Target for Garment Export

**2097. SHRI JAGANNATH PAT-
NAIK :** Will the Minister of TEXTILES be pleased to state :

(a) the total targets fixed to be achieved for the export of garment during the last three years including the current year, year-wise ;

(b) the names of the countries continued to be the major markets for Indian garments ; and

(c) foreign exchange earned during last three years, year-wise and country-wise ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) The targets fixed for export of readymade garments during the last three years were as indicated below :

(Rs. in crores)

1985-86	1000
1986-87	1200
1987-88	1450

(b) and (c). A Statement is given below.

Statement

(Value in Crores Rs.)

Country	1984	1985	1986
U.S.A.	291.46	336.41	440.38
E.E.C.	280.94	342.57	503.26
U.S.S.R.	105.70	172.60	156.84
Japan	23.65	40.45	33.30
Canada	43.51	58.66	47.94
Switzerland	17.69	19.60	32.03
Sweden	16.03	18.23	16.03

Source : Apparel Export Promotion Council.

L.I.C. Loans to Individuals for Purchase of Houses

2098. SHRIMATI VYJAYANTHI-MALA BALI :

DR. B.L. SHAILESH :

Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to bring forward a law before the Parliament which will enable the Life Insurance Corporation to grant housing loans to individuals for purchase of apartments constructed by the housing boards, cooperative societies, etc. ; and

(b) if so, the details thereof and whether Government propose to enact the law to this effect before this 'Year for shelter for homeless' is over ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). No Bill before the Parliament is necessary for this purpose. A notification amending the procedure relating to grant of loans to policyholders for purchase/construction of houses/flats etc., without insisting on first mortgage of the property concerned has been issued on 18th November, 1987.

Decision to Release Raw Jute Stock

2099. SHRIMATI GEETA MUKHERJEE : Will the Minister of TEXTILES be

pleased to state :

(a) whether the Jute Corporation of India (JCI) has decided to release raw jute stocks ;

(b) if so, the details and reasons therefor ; and

(c) whether this would result in a crash in the market price of raw jute ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) Yes, Sir.

(b) A Statement is given below.

(c) No, Sir.

Statement

Details for sale of raw jute ex-1985-86 and 1986-87 crop offered to jute mills by Jute Corporation of India (JCI) are as under :

(i) Sales would be restricted only to those working jute mills which have physical stock, equivalent to 8 weeks' consumption requirement or less with them as on 30-9-87 and the quantity to be sold would not exceed 2 weeks' consumption requirement of each.

(ii) Variety and grade-mix would be as under :

I. Varietal Mix

	(Percent)
White	30
Tossa	64
Mesta	6
	<hr/> 100

II. Grade Mix

Grade	White %	Tossa %	Mesta %
5/Bot	22	47	27
6/B. Bot	42	36	52
7/X. Bot	36	17	21
	<hr/> 100	<hr/> 100	<hr/> 100

(iii) Sales would be made at ruling market prices plus Re 1/- subject to statutory minimum for 1987-88, with a premia of Rs. 10/- per quintal for TDS and Rs. 5/- per quintal for TDS.

(iv) Delivery would be made within 2 months from the date of making guaranteed payment arrangement.

(v) Other terms as per standard contract of JCI.

(vi) The Corporation would reserve the right to release stock of raw jute in its possession keeping in view the interest of the growers.

Credit Against Commodities

2100. SHRI RAM BAHADUR SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has asked the commercial banks to stop credit against certain commodities ;

(b) if so, the details of those commodities ; and

(c) whether there is steep rise since March, 1987 in the prices of these com-

modities ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The Reserve Bank of India has reported that it has not asked scheduled commercial banks to stop granting credit against the stocks of any commodity. On a review of recent price-output developments, certain provisions of selective credit control in respect of a few sensitive commodities have, however, been modified with a view to ensure that bank credit is not utilised for speculative purposes. While advances against cottonseeds, cottonseed oil, paddy/rice, cotton and kapas have been brought back under the purview of controls, the minimum margins on bank advances against stocks of oil seeds and vegetable oils (including vanaspati) paddy/rice, pulses and other foodgrains (excluding wheat) have been raised. Moreover, the level of credit ceilings in respect of bank advances against oilseeds and vegetable oils (including vanaspati) have been reduced from 100 per cent to 85 per cent of the peak level of credit maintained by a party during 1982-83, 1983-84 and 1984-85. The level of credit ceiling for bank advances against paddy/rice and cotton and kapas has also been fixed at 100 per cent of peak

level of credit maintained by a party during the same years. In view of the rise in prices of turmeric and other condiments, banks have also been asked to exercise greater caution while providing credit against these commodities so as to ensure that banks' funds are not utilised for inventory building with speculative intentions. They should undertake a case-by-case review of advances granted against such commodities and where appropriate, to step up the existing margins suitably. All these measures are expected to contain any upward trend in the prices of various commodities.

Mopping up of Funds

2101. DR. D.N. REDDY :

SHRI SARFARAZ AHMAD :

SHRI VILAS MUTTEMWAR :

Will the Minister of FINANCE be pleased to state :

(a) whether efforts are being made to mop up funds ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). To provide funds to meet the expenditure necessitated by the drought situation in the country, Government have taken certain measures to divert funds from other areas and to raise additional resources through increase in levies etc. The former include curbs on expenditure on travel including foreign travel, hosting of official dinners, purchase of furniture, publicity, fuel consumption and deferment of festivals, fairs, exhibitions and international conferences, wherever firm commitments have not already been made. Ministries/Departments have also been advised to defer execution of schemes which have not commenced by 1st August, 1987. Ministries have been instructed to absorb within their budgets the expenditure on additional D.A. and bonus sanctioned to Government employees. Plan and non-Plan budgetary allocations have also been reduced selectively.

Besides, additional resources are also being raised by increase in customs duties, levy of surcharge in income-tax, surcharge

on first Class and air conditioned railway fares and domestic air travel.

Reduction of Tax Incentives

2102. SHRI KRISHNA SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether the Central Direct Taxes Board and the Advisory Committee have urged Union Government to reduce significantly the number of tax incentives and concessions available under various heads ; and

(b) if so, the details thereof and Government's reaction thereto ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Yes, Sir. The Central Direct Taxes Advisory Committee in its meeting held on 8-9-1987 at New Delhi, inter-alia, made the suggestion that there should be significant reduction in number of tax incentives and concessions with a view to widening the tax base and simplifying tax laws.

(b) The Income-tax Act contains several provisions of tax exemptions and deductions. These concessions are intended to achieve various socio-economic objectives. The efficacy and usefulness of the tax incentives and concessions are reviewed periodically and action is taken on that basis.

Consideration for Rationalisation of Excise Duty

2103. SHRI H.M. PATEL : Will the Minister of FINANCE be pleased to state :

(a) the main consideration for rationalisation of excise duty recently ;

(b) whether Government have imposed any fresh excise duties in September, 1987 ; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) The process of rationalisation of excise duty rates is a continuing one. Having regard to relevant factors like representations from the trade and recommendations from other Ministries excise duty

rates are rationalised from time to time.

(b) and (c). During September 1987 some of the existing exemptions in respect of excisable goods were modified which have the effect of increasing the duty incidence on certain goods. The details are given below :

- (i) MODVAT and related benefits to aerated waters were withdrawn ;
- (ii) The exemption for certain goods manufactured without the aid of power was strictly enforced so as to deny the benefit to fire-works ; and
- (iii) The general scheme of small scale exemption for specified goods and the scheme for cosmetics and toilet preparations and refrigerating and air-conditioning appliances were modified by separate notifications issued in September 1987 so as to deny the benefit in the case of goods manufactured under the brand name/trade name of a big manufacturer or trader.

Rise in Gold Prices

2104. SHRI SATYENDRA NARAYAN SINHA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the existing Gold Control Order is a contributing factor in sharp increase in gold price ; and

(b) whether there is any scheme to make at least token quantity of gold being made available to common people at reasonable price to meet the social obligation like marriage, etc. ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) No, Sir.

(b) No, Sir.

Products Covered by MODVAT

2105. SHRI V. KRISHNA RAO : Will the Minister of FINANCE be pleased to state :

(a) how many products have so far been covered under the MODVAT Scheme ;

(b) the proposals of Government to extend the Scheme to the rest of the items not so far covered ; and

(c) the success of the Scheme in terms of net earnings ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) The MODVAT Scheme is presently applicable to goods covered by 76 Chapters of the Central Excise Tariff. The Scheme does not cover certain items, namely, textiles, tobacco, petroleum products, matches, Cinematographic films and aerated waters ;

(b) The feasibility for extending MODVAT to some of the goods which are presently not covered under MODVAT is under study.

(c) As the MODVAT Scheme is broadly revenue neutral, therefore, no additional revenue directly on account of introduction of MODVAT was envisaged. However, the scheme is expected to curb evasion the effect of which is likely to be apparent after some time.

Manufacture of Dornier Aircraft by HAL

2106. SHRI V.S. KRISHNA IYER :

SHRI LAKSHMAN MALLICK :

Will the Minister of DEFENCE be pleased to state :

(a) the number of Dornier 228 aircraft manufactured by Hindustan Aeronautics Limited with Dornier collaboration ;

(b) the number of Dornier 228 planes delivered by the HAL and the details of their utilisation and the performance report of these planes ;

(c) the names of customers in India for these planes ;

(d) whether these planes have been sold to adjoining countries ;

(e) if so, the names of the countries ; and

(f) the cost of each plane ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUC

TION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a) and (b). HAL have so far manufactured 11 Dornier 228 aircraft with Dornier collaboration out of which 6 have been delivered to Vayudoot and the remaining 5 are under delivery. These aircraft have flown on an average of approximately 3000 hours each under varying types of operating conditions since their induction in the fleet of Vayudoot. In regard to the performance of the aircraft, Vayudoot had reported a high rate of engine failures installed on the aircraft and one case of a door opening in flight. Detailed check of all air-craft has been conducted by Vayudoot to ensure the proper functioning of the door locking mechanism. The engine failures have been analysed by a technical team constituted by the Ministry of Civil Aviation. While the engine manufacturers are re-designing some of the components, Vayudoot has also taken corrective steps to improve maintenance.

(c) Production of this aircraft has been planned in HAL for the Indian Navy the Air Force, Coast Guard, Vayudoot, National Airports Authority, Oil and Natural Gas Commission and other civil users.

(d) No, Sir.

(e) and (f). Do not arise.

[Translation]

Position of Foreign Exchange Reserves

2107. DR. CHINTA MOHAN :

SHRI BALWANT SINGH
RAMOOWALIA :

SHRI SYED SHAHAB-
UDDIN :

Will the Minister of FINANCE be pleased to state :

(a) whether India's foreign exchange reserves have further declined during this year also as compared to the last year ;

(b) if so, the month-wise position in this regard during the period from April to September, 1987 ;

(c) the main factors responsible for decline in the foreign exchange reserves ;

(d) whether efforts were made to

remove these causes ; and

(e) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) The foreign exchange reserves (excluding Gold and Special Drawing Rights) declined by Rs. 755 crores in the period April to October, 1987 as compared to a decline of Rs. 880 crores in the corresponding period last year.

(b) The month-wise position at the end of each month during the period April to September, 1987 was as indicated below :

Date	(Rs. Crores)
30-4-87	7133
29-5-87	7239
30-6-87	7276
31-7-87	6719
31-8-87	6478
30-9-87	6773

(c) The balance of payments data with the details of individual factors affecting the movements in foreign exchange reserves during this period are not yet available. Provisional trade data pertaining to the current year available so far indicate a narrowing down of the trade deficit as compared to the corresponding period of previous year.

(d) and (e). The level of foreign exchange reserves is continuously kept under review with a view to ensuring that the country's commitments with regard to debt service and requirement of goods and services are met. The present level of reserves is considered to be satisfactory.

[English]

Export Potential of Agricultural Commodities

2108. SHRI V.S. VIJAYARAGHAVAN : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have explored the export potential of agricultural commo-

dities and spices in the Gulf countries ; and

(b) if so, the efforts made and the commodities which have great export potential ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). Spices Board is exploring the export potential of spices in Gulf countries through promotional methods such as publicity, participation in selected food festivals and sending sales-cum-study delegations. Market exploration regarding agricultural commodities in Gulf countries is undertaken by various agencies under the Government.

The potential items of agricultural commodities and spices for export to Gulf countries include fresh fruits and vegetables, preserved fruits and vegetables, poultry and meat products, basmati rice, cardamom, ginger, turmeric, pepper, chillies, spice seeds, curry powder, spice mixtures and spice in consumer packs.

Measures to Attract Jawans from J and K State

2109. PROF. SAIF-UD-DIN SOZ : Will the Minister of DEFENCE be pleased to state :

(a) whether talent to Defence forces was being attracted from all regions in India ; and

(b) whether any special measures would be undertaken to attract Jawans from Jammu and Kashmir State ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a) Yes, Sir.

(b) Recruitment is carried out on a proportionate basis from all regions of the country so that all classes in all regions get an opportunity to join the Defence forces. To attract jawans from all States, including Jammu and Kashmir, wide publicity is given to the eligible youth.

Relief to Drought and Flood Victims

2110. SHRI UTTAM RATHOD :

SHRI JAGANNATH PATT-
NAIK :

Will the Minister of FINANCE be

pleased to state :

(a) whether any steps are being taken to increase tax collections in view of the current needs for additional funds to provide relief to drought and flood victims ; and

(b) if so, the details thereof and the expected amount of additional collections therefrom ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Yes, Sir.

(b) DIRECT TAXES

(i) A surcharge of 5% has been imposed on Income-tax for the assessment year 1988-89 yielding Rs. 210 crores (approx.)

(ii) A surcharge of 10% has been imposed on Wealth Tax for assessment year 1988-89 yielding Rs. 10 crores (approx.).

Indirect Taxes

Auxiliary duty of Customs has been raised by 5% wherever leviable except Crude petroleum.

Besides this fiscal measures, the administration of tax collection is being further tightened and efforts are being made to liquidate arrears in order to increase tax collections.

[Translation]

Bank Loans for Diesel Engines and Electric Motors Given in Gaya District

2111. SHRI RAM SWARUP RAM : Will the Minister of FINANCE be pleased to state :

(a) the total number of farmers and small industrialists who have submitted their applications to various banks in Gaya district for diesel engines and electric motors for irrigation and brick-kilns during the last three years ; and

(b) the year-wise and item-wise, loan given by the banks to the applicants and the number of applicants who were refused loans ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The

present data collection system does not yield district-wise, item-wise and year-wise information in the manner asked for.

[English]

South Korean Imports from India

2112. SHRI KAMAL NATH : Will the Minister of COMMERCE be pleased to state :

(a) whether South Korean Government propose to purchase new items from India to correct the existing imbalance in trade ;

(b) if so, the items identified in this regard ; and

(c) the balance of trade position between India and South Korea during the last three years ?

THE MINISTER OF STATE IN THE

MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) During the 6th Meeting of the Indo-Republic of Korea Joint Trade Committee held in New Delhi in September, 1987 both sides agreed that only a balanced expansion of bilateral trade would be to the mutual advantage of both the countries.

(b) In order to increase exports to South Korea and promote balanced growth of bilateral trade, India is interested in exporting larger quantities of iron ore, manganese ore mica capacitors and products, coffee, sheet glass, natural garnet, anthracite, cashewnuts, CNSL, jute fabrics, granite, household linen and engineering products like hand tools, pumps, valves, cables, electronic components, etc.

(c) Details of trade between India and ROK for the last 3 years are given below :

(Value : Rs. crores)

Year	Export	Import	Balance of trade
1984-85	90.00	166.47	— 76.47
1985-86*	92.89	271.61	— 78.72
1986-87*	110.16	322.32	— 212.16

*Provisional

Source : DGCI & S, Calcutta.

Fall in Value of Rupee

2113. SHRI Y.S. MAHAJAN : Will the Minister of FINANCE be pleased to state :

(a) whether the rupee was worth only 12.41 paise in Delhi in August, 1987 ;

(b) the reasons for the continuous erosion of value of the rupee ; and

(c) what measures have so far been taken by Government to check the fall in value of the rupee and with what results ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). With the base 1960=100, the purchasing power of rupee

for Delhi in August, 1987 was 12.41 paise. The value of rupee varies with the rise and fall in the Consumer Price Index. A rise in the Consumer Price Index means a fall in the value of rupee and vice-versa. It may be noted that nominal per capita income has also risen as a result of which per capita income, after allowing for change in the value of rupee, has shown an increase over the period.

(c) Government's anti-inflationary policy includes effective demand and supply management through strengthening of public distribution system, allocation of additional stocks of foodgrains to drought affected areas, augmenting domestic availability of essential commodities like sugar, edible oils, pulses through imports and mopping up of

excess liquidity in the system. Central Government has also advised the State Governments to take strict action against traders indulging in profiteering, hoarding and blackmarketeering. In order to partly compensate for the rise in the cost of living Government employees and employees in the public sector and local bodies are paid dearness allowance. Similar arrangements also exist in respect of employees in the organised sector. For unorganised labour, minimum wages are periodically revised taking into account various factors including the increase in cost of living.

Import of Capital Goods

2114. PROF. P.J. KURIEN : Will the Minister of COMMERCE be pleased to state :

(a) the total value of import of capital goods during the last three years, year-wise ;

(b) how it has affected the indigenous capital goods industry ;

(c) whether any guidelines have been prescribed for the import of these goods ;

(d) if so, the details thereof ; and

(e) in case of any violation, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Total value of import of complete machinery and equipments (excluding spares and components) for the period 1982 to 1984-85 are given below :

(Value in Rs. crores)

1982-83	1983-84	1984-85
1213.08	1513.70	1328.34

Data beyond 1984-85 is not available.

(b) to (d). Import of Capital Goods is allowed as per the policy and procedures as contained in the Import and Export Policy, 1985-88 (Volume-I) and the Hand Book of Import-Export Procedures, 1985-88, copies of which are available in the Parliament Library. Import is allowed only in respect of Capital Goods not available indigenously or to the extent of gap between country's demand and indigenous availability.

(e) During the last three licensing years (1985-86, 1986-87 and 1987-88 upto 17th November, 1987), a total of 11 firms were debarred and/or penalised by imposition of fiscal penalties for violating the conditions of C.G. licence/utilisation of imported capital goods by the Chief Controller of Imports and Exports (Headquarters). List of such firms is given in the Statement below :

Statement

1. M/s. Mahalaxmi Printing Press, Thane (Maharashtra).
2. M/s. Friends Off-set Printers, Delhi.
3. M/s. Enenjay Printers, Madras.
4. M/s. Print Art, Bombay.
5. M/s. Tamilnad Printers and Traders Pvt. Ltd., Madras.
6. M/s. Cameo Cartons, Madras.
7. M/s. Indequip Engg. Co., Ahmedabad.
8. M/s. Victory Press, Kunnankulam, Kerala.
9. M/s. Parle Bottling Co. (P) Ltd., (New Name M/s. Parley (Exports) Pvt. Ltd.), Bombay.
10. M/s. C.D. Dhody and Sons, Nilgiris, Tamil Nadu/Bangalore.
11. M/s. Indian Gases, Gwalior.

FERA Violation

2115. SHRI P. KOLANDAIVELU : Will the Minister of FINANCE be pleased to state :

(a) the number of cases of Foreign Exchange Regulation Act violations registered in the year 1986-87 ;

(b) how many of them have been disposed of so far ; and

(c) whether Government have constituted a monitoring cell for early disposal of these cases ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). During the year 1986-87, the Directorate of Enforcement

registered 6278 cases for alleged violation of the provisions of the F.E.R. Act, 1973 and out of these 3680 cases have been disposed of.

(c) The Enforcement Directorate keeps a constant watch on disposal of cases through the Management Information System and through periodical reviews of pending cases.

Economy in Government Expenditure

2116. SHRI LAKSHMAN MALLICK : Will the Minister of FINANCE be pleased to state :

(a) whether in view of prevalent drought situation Government have taken any decision to bring utmost economy in expenditure and effectively contain inflationary pressure ;

(b) if so, whether Government are planning to review all on-going projects so that projects no longer relevant in today's context could be abandoned or abridged ;

(c) whether Government identified any such schemes of projects ; and

(d) if so, the details thereof, Statewise, the total allotment made on such projects and the total amount already spent on them ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Yes, Sir.

(b) to (d). As a part of economy instructions, Ministries have been advised to defer expenditure on schemes which have not started by 1st August, 1987. In addition, Ministries/Departments have also been requested to review all their programmes and activities adopting the Zero Base Budgeting approach in a phased manner over a period of three years so that $\frac{1}{3}$ rd of this review is completed this year and reflected in the Budget for the next year.

Concessions to Jute Industry

2117. SHRI SAIFUDDIN CHOWDHARY : Will the Minister of TEXTILES be pleased to state :

(a) whether more concessions were offered to jute industry besides Government's package for modernisation announced in September, 1986 ;

(b) if so, the details thereof ;

(c) how much of these were availed of by the industry ; and

(d) the results generated out of those concessions, mill-wise details ?

THE DEPUTY-MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) Apart from the Prime Minister's package of measures for development of jute industry as announced in September, 1986, no further incentives have been granted to the jute industry.

(b) to (d). Do not arise.

[Translation]

Edible Oil Export

2118. SHRI AKHTAR HASAN : Will the Minister of COMMERCE be pleased to state :

(a) the names of the edible oils exported ;

(b) the names of the countries to which these oils are exported and the name of the edible oil of which the highest export is made and the names of the countries to which its highest export is made ;

(c) whether some new agreements have been reached for export of edible oils ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (d). In view of domestic shortages, export of edible oil is not normally permitted.

[English]

Excise Concessions to Rubber Shoe Manufacturers

2119. SHRI THAMPAN THOMAS : Will the Minister of FINANCE be pleased to state :

(a) whether excise concession has been given to rubber shoe manufacturing companies ;

(b) whether some rubber shoe manufacturing companies are exporting rubber shoes without using original rubber ; and

(c) if so, the names of such rubber shoe manufacturing companies ? [Translation]

Quota of Cheap Cloth and Janata Saris to M.P.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) There is no excise concession specifically for rubber shoe manufacturing companies.

2120. SHRI KAMMODILAL JATAV : Will the Minister of TEXTILES be pleased to state :

(a) the quota of cheap cloth and Janata Saris allotted to Madhya Pradesh during last three years ; and

(b) if no quota was allotted, the reasons therefor and the action being taken in this regard ?

(b) and (c). One case of M/s. Bata India Ltd. has come to the notice of the Government where the company had got higher brand rates fixed by Drawback Directorate by claiming to have used duty paid imported synthetic rubber as the main ingredient although they were using duty free natural rubber also as an ingredient.

THE DEPUTY-MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) A Statement is given below.

(b) Does not arise in view of (a) above.

Statement

(a) Allocation of controlled cloth produced by the National Textile Corporation mills to Madhya Pradesh for the last 3 years. (The figures of cotton cloth are in million Sq. metres and of poyester cotton blended shirting in million metres):

Year	Allocation	
	Cotton Controlled Cloth	P.C. Shirting
1984-85	21.984	0.609
1985-86	21.173	0.609
1986-87	12.623	1.470

(b) The quantity of Janata Cloth allotted to Madhya Pradesh during the past three years is as follows :

Year	Target
1984-85	15.00 Million Sq. metres.
1985-86	20.00 Million Sq. metres.
1986-87	25.00 Million Sq. metres.

Note : The target of production of janata cloth for each State is fixed as a whole for all the items coming under the description of 'Janata Cloth' without any individual targets for sarees, dhoties, long cloth, shirting etc.

[English]

Export Potential of Karnataka

2121. DR. V. VENKATESH : Will the Minister of COMMERCE be pleased to state :

(a) whether the export potential of Karnataka has ever been assessed in depth ; and

(b) if so, the outcome thereof ?

THE MINISTER OF STATE IN THE

MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) Yes, Sir. Indian Institute of Foreign Trade has conducted Export Potential Survey of Karnataka first in 1969-70 and again in 1985.

(b) The Survey had assessed the export potential of 64 products and identified their growth potential. The Survey Report incorporates export marketing strategy and suggestions for increase in exports of the identified products.

Nationalised Tea Units

2122. SHRI CHINTAMANI JENA : Will the Minister of COMMERCE be pleased to state :

(a) the number of tea units which have been nationalised so far ;

(b) the number of tea units which are sick ;

(c) whether there is any proposal to nationalise those units ; and

(d) the salient features of the policy in regard to nationalisation of tea gardens ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) to (c). Four tea units viz. Pashok, Looksan, Vah-Tukvar and Potong have been nationalised so far. 22 Tea Estates have been declared sick as per the report of Investigation Committee. At present, there is no such proposal to nationalise these units.

(d) Government policy is that taking over of management is not the only alternative for tackling sickness of a tea unit and remedies have to be found out on a case by case basis.

Garment Exports

2123. SHRIMATI KISHORI SINHA : Will the Minister of TEXTILES be pleased to state :

(a) whether garment exports are expected to touch the Rs. 2500 crore mark by the end of Seventh plan ;

(b) if so, whether the rising exports of garments is due to more bilateral agreements with EEC and USA ;

(c) whether Government will ensure that Indian garments retain the markets they are

capturing in view of past complaints about quality and designs ; and

(d) if so, the steps taken for ensuring this ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA): (a) If the present export trend is maintained, garment exports might reach Rs. 2500 crore mark by the end of Seventh Plan.

(b) The rising export trend in textiles is on account of liberal export promotion policies pursued by the Government and on account of better access India was able to secure in the Bilateral Textile Agreements concluded with major importers of textiles.

(c) and (d). A statement is given below.

Statement

The following steps have been taken to boost the export of garments :

1. Sophisticated garment manufacturing machines not manufactured indigenously are allowed to be imported on OGL. As many as 119 machines for garment and hosiery manufacture have been placed under OGL, 97 of them enjoying concessional import duty.
2. Revised rates of CCS have been announced effective from 1st July, 1986. These rates have been announced for a period of 3 years and are generally higher than before. Slow moving items of garments on which CCS was not admissible when exported to quota countries have been made eligible for CCS.
3. Cotton garments and textiles have been brought under the scheme of Contract Registration with a view to providing an element of certainty to exporters in the matter of CCS.
4. The Fashion Technology Institute in Delhi for education, research and training in the areas of fashion design for garment manufacture has been set up.

5. The duty drawback rates for cotton garments have been increased to 10%.
6. The number of days of pre-shipment credit has been increased from 90 days to 180 days. The rate of interest has also been reduced by 2.5%.
7. Many items of raw material/fabrics are permitted to be imported under Duty Free REP Scheme and the Import-Export Pass Book Scheme.
8. The scope of Advance Licensing and Pass Book Schemes has been widened and procedures simplified.
9. Under 100% Export Oriented Units and Free Trade Zones Scheme, facilities for liberal import of capital goods and raw materials along with many other concessions are given.
10. Government has been giving liberal assistance for sponsoring and funding promotional activities such as market studies, buyer-seller-meets, participation in international fairs and exhibitions.
11. Permission for use of foreign brand

names for domestic sales has been approved in the case of readymade garments with the stipulation that only indigenous fabrics are used ; at least 75% of the production is exported and no royalties are allowed on domestic sales.

12. The agency commission has been increased and rules for blanket permission for foreign exchange have been substantially liberalised.

Export to South East Asian Countries

2124. SHRI K. KUNJAMBU : Will the Minister of COMMERCE be pleased to state :

(a) whether any efforts have been made to increase exports to South East Asian countries ; and

(b) the export performance in this regard during the past three years ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) Yes, Sir.

(b) Export performance for the South East Asian countries which include Singapore, Malaysia, Indonesia, Thailand, Philippines, Brunei, Laos, Vietnam, Kampuchea and Burma for the past three years is :

(Rs. in crores)

1984-85	1985-86	1986-87
309.39	332.89	433.81

(The above figures are provisional)

[Translation]

Upgradation of Army Hospital in Pithoragarh, U.P.

2125. SHRI HARISH RAWAT : Will the Minister of DEFENCE be pleased to state :

(a) whether ex-servicemen in Pithoragarh, Uttar Pradesh have made a demand to upgrade the Army hospital in Pithoragarh ; and

(b) if so, the time by which this hospital is likely to be upgraded ?

THE MINISTER OF DEFENCE (SHRI

K.C. PANT) : (a) and (b). The need for augmentation of medical facilities in the Army Hospital, Pithoragarh is receiving due considerations.

Reward to Customs Officers

2126. SHRI YOGESHWAR PRASAD YOGESH : Will the Minister of FINANCE be pleased to state :

(a) whether the Customs Officers seizing the smuggled goods are given 20 per cent amount of the value of the seized goods as a reward ; and

(b) if so, whether that particular officer gets the entire amount or it is distributed

amongst the members of the entire party ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) and (b). Rewards, up to a maximum of 20% of the value of the seized goods is admissible to the eligible Customs Officers. In the case of gold and silver though, depending upon their purity, such reward amount shall not exceed Rs. 350/- per 10 grams for Gold and Rs. 550/- per kg. for Silver. The reward amount is distributed amongst the recipients on the basis of the role played by each.

[English]

Loans Given Without Assessing Credit Worthiness of Borrowers

2127. SHRI BRAJAMOHAN MOHANTY: Will the Minister of FINANCE be pleased to state :

(a) the number of cases of advancement of loan by nationalised banks without assessing credit worthiness of borrowers brought to light during the years 1985, 1986 and 1987 ; and

(b) particulars of the officers who are partially or wholly responsible for such advancement and the number of managers, officers against whom action has been taken for such lapses ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). Reserve Bank of India has reported that the existing reporting system by the banks does not generate the type of information called for. However, loans and advances are generally sanctioned by banks after proper credit appraisal of the proposals at appropriate levels. Banks have been advised to issue strict instructions to the authorities at various levels to desist from the unhealthy practice of grant of advances beyond their discretionary powers. Banks have also been advised to take strict action against individuals where advances are found to have become sticky due to their negligence, inefficiency or suspected collusion with unscrupulous borrowers. In November 1985, a comprehensive and uniform grading system has been introduced to indicate the health of individual advances. This will facilitate close monitoring of sticky advances

by banks and eventually reduce the incidence of bad debts.

Fire on Indian Cargo Vessel

2128. SHRI INDRAJIT GUPTA: Will the Minister of DEFENCE be pleased to state :

(a) whether an Indian cargo vessel the "Indian Grace" which caught fire off the French coast on 1-7-87 was carrying ammunition for the Bofors gun from the Swedish port of Uddevalla ;

(b) if so, whether the cause of the fire has been investigated and established ; and

(c) whether it is also a fact that the vessel was carrying a full cargo of paper pulp loaded from Portugal ?

THE MINISTER OF DEFENCE (SHRI K.C. PANT): (a) Yes, Sir.

(b) Yes, Sir. An Inquiry held by the Directorate General of Shipping under Section 388 of the Merchant Shipping Act has revealed that the fire might have been caused by a spark or overheating due to friction of the steel girders against each other which ignited the paper packing of the wood pulp below.

(c) The vessel was carrying wood pulp, steel girders etc., from ports on which it called prior to its calling on the Swedish port for loading Bofors Ammunition.

EEC's Help for Boosting Indian Exports

2129. SHRI SRIBALLAV PANIGRAHI: Will the Minister of COMMERCE be pleased to state :

(a) whether Government have impressed upon the European Economic Community (EEC) to increase Indian exports to EEC countries ;

(b) whether the drought situation and the prevailing wide trade deficit etc. have been brought to the notice of EEC and its help sought ; and

(c) if so, the reaction and response of EEC thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSII): (a) Yes, Sir.

(b) and (c). No help has been sought

from the EEC for drought situation in the country. However the EEC have offered emergency aid for drought relief in the form of cash and commodity amounting to ECU 20 million (Rs. 30 crores approximately).

**Savings Effected Through Post Office
from Income-tax Payers**

2130. DR. T. KALPANA DEVI : Will the Minister of FINANCE be pleased to state :

(a) the existing savings schemes opera-

tive through post offices for Income-tax payers as well as non-Income-tax payers separately ; and

(b) the rate of interest for each existing saving schemes of post office ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The existing savings schemes operative through Post Offices which are open to both, Income-tax payers and non Income-tax payers are indicated below :

S. No.	Name of the Scheme	Rate of interest per annum
1.	Post Office Savings Account.	5.5%
2.	Post Office Time Deposits.	
	1 Year Account	9.5%
	2 Year Account	10.00%
	3 Year Account	10.5%
	5 Year Account	11.00%
3.	Post Office Recurring Deposits.	11.0%
4.	National Savings Scheme, 1987.	9.0%
5.	Post Office Monthly Income Account.	12.00%
6.	National Savings Certificates II Issue.	6.5%
7.	National Savings Certificates VI Issue.	11.0%
8.	National Savings Certificates VII Issue.	11.0%
9.	Social Security Certificates.	11.3%
10.	Indira Vikas Patra.	13.43%
11.	Public Provident Fund.	12.0%

*plus bonus of 10% of the amount deposited, on maturity.

**Earnings Made by MMTC Through
Link Deal**

1984-85, 1985-86 and 1986-87
separately ;

2131. SHRI PRATAPRAO B. BHOSALE : Will the Minister of COMMERCE be pleased to state :

(c) the details of this new system of 'Link Deal' ;

(a) whether the Minerals and Metals Trading Corporation has made substantial earnings through its system of Link Deal.

(d) the items exported and imported by the MMTC through its 'Link Deal' ; and

(b) if so, the total earnings made in

(e) the future activities of the MMTC in its own field ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). The total foreign exchange earnings made by MMTC through linking exports to imports are given below :

1984-85	Rs. Nil
1985-86	Rs. 180 crore
1986-87	Rs. 220 crore

Under the system of link deals, MMTC uses its imports strength to augments exports from India.

(d) List of items imported by MMTC under link deals include non-ferrous metals, steel and steel products, chemical fertilizers etc. List of items exported under the Link deals include Engineering goods, agricultural products, minerals and ores, leather products etc.

(e) MMTC plans to continue to fulfil the role as a canalising agency and make efforts constantly to help generate exports from India.

Review of MPEDA by IIFT

2132. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether the Indian Institute of Foreign Trade (IIFT) was entrusted with reviewing the performance of the Marine Products Export Development Authority (MPEDA) ; and

(b) if so, the important recommendations made in the report and action taken thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Yes, Sir.

(b) The recommendations made in the Study Report include assigning more effective and increased role for MPEDA in exploitation of deep sea fishery resources, active involvement in production aspects of fisheries, development of brackishwater resources and drawing up action plans for short, medium and long term export targets of marine products. No final decision has yet been taken, on these recommendations.

[Translation]

Thakkar-Natarajan Commission Report of Fairfax

2133. SHRI KALI PRASAD PANDEY : Will the Minister of FINANCE be pleased to state :

(a) whether Thakkar-Natarajan Commission has submitted its report on Fairfax issue to Government ; and

(b) if so, the salient features of the report and the future programme of Government in this regard and the action taken so far or proposed to be taken by Government on the basis of this report ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) No, Sir.

(b) Do not arise.

[English]

Revitalisation of Tea Industry

2134. SHRI TARIQ ANWAR : Will the Minister of COMMERCE be pleased to state :

(a) the steps Government are likely to take to revitalise the tea industry ;

(b) whether there is any plan to revamp the Coffee, Tea and Rubber Boards ; and

(c) if so the details thereof with time frame ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) The Government have recently constituted a fifteen member Committee headed by Chairman, Tea Board to formulate long term strategy and plan for tea. This Committee has been asked (i) to evolve a long term and medium term policy and strategy for tea (ii) to evolve a plan strategy for maximising exports with substantial increases in value added exports and (iii) to assess requirements of resources on a realistic basis and suggest alternative approaches for resource mobilisation. A separate Committee has also been constituted to determine strategy on tea research.

This Committee would be :

- (i) effecting co-ordination among various agencies engaged in Tea Research ;
- (ii) Oversee and evaluate research in tea ;
- (iii) Review application of research finding to plantation of tea ; and
- (iv) make an assessment of long term requirements of funds and physical facilities for tea research. A ten crore Corpus of tea research and development fund with matching contributions from NABARD and Tea Industry has also been set up.

(b) and (c). There is no such proposal. However, a one-man-committee had been set up in November last to go into the working of Coffee, Tea and Rubber Boards and suggest means for improving their functional efficiency.

Zero Based Budgeting

2135. SHRI K. PRADHANI : Will the Minister of FINANCE be pleased to state :

(a) whether Government have introduced the system of Zero-based budgeting in any departments ;

(b) if so, the details thereof ; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). Central Ministries/Departments have been instructed to review all their programmes and schemes adopting the Zero base budgeting approach. The exercise is to be completed in three years—roughly $\frac{1}{3}$ of the Budget to be covered in each year.

(c) Does not arise.

Waiving Basic Excise Duty on Sugar

2136. SHRI SWAMI PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether Government have waived full basic excise duty on sugar ;

(b) if so, the details thereof ; and

(c) the circumstances leading to such a

decision ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). No general exemption from basic excise duty on sugar has been given. However, the Government have issued a notification on 15th October, 1987 providing exemption from basic excise duty on excess production of sugar produced in a factory during the period 1st October, 1987 to 30th November, 1987 as compared to the average production in the factory in the corresponding periods of the previous three sugar years.

(c) This exemption has been given having regard to the fact that the cost of production of sugar during these two months will be high on account of the low recovery of sugar during the early months of the season.

Loans to People Below Poverty Line

2138. SHRI HUSSAIN DALWAI : Will the Minister of FINANCE be pleased to state :

(a) the total quantum of loans advanced by various nationalised banks in credit camps to these whose income was below the poverty line ;

(b) what was the involvement of the people's representatives in holding such credit camps ; and

(c) the extent to which the co-ordination of Government machinery, bank staff and local representatives was available in implementing the poverty alleviation programmes through such credit camps ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Public Sector Banks organise credit camps depending on the local responsiveness of the people—as part of the overall measures undertaken by them to accelerate credit assistance to weaker sections of society. The banks do take necessary assistance from the local officials of the State Government agencies and are also expected to inform the people's representatives including MPs and MLAs and other local dignitaries. The present data reporting system does not yield information regarding credit made available to

beneficiaries through credit camps, since no Central monitoring of such camps is being done. However, the total bank credit outstanding against weaker sections as at the end of June, 1987 stood at Rs. 6352.99 crores forming 11.2% of the total outstanding advances.

Financial Assistance to People Affected by Landslides in Hill Areas

2139. SHRIMATI D.K. BHANDARI : Will the Minister of FINANCE be pleased to state :

(a) whether certain financial institutions have decided to provide financial assistance to flood hit areas of Bihar ;

(b) whether these financial institutions propose to provide financial assistance to people affected by landslides in the hill areas ;

(c) if so, the details thereof ; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). Reserve Bank of India had issued detailed guidelines in 1984 for providing relief measures by banks in areas affected by natural calamities such as floods, droughts, hail-storms, landslides etc. for the whole country including the State of Bihar. These guidelines inter-alia envisage :

- (i) conversion of short term loans into medium term loans,
- (ii) rescheduling/postponement of existing term loans instalments,
- (iii) provision of additional need-based crop loans/working capital,
- (iv) condonation or waiver of short fall in margin and giving time to borrowers to provide margin from future cash generation.

National Bank for Agriculture and Rural Development (NABARD) provides financial support by way of refinance to eligible financial institutions. Apart from rescheduling of loans in the case of persons affected by floods, NABARD has increased interim finance from Rs. 10 crores to Rs. 15 crores, in the case of Bihar State Land Development

Bank with a view to enable it to disburse more loans.

Income-tax Collection Cost

2140. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state :

(a) the cost of collection of one rupee income-tax during the financial year 1986-87 and how does it compare with the cost of collection during the year 1984-85, 1985-86 ; and

(b) the steps taken to improve the situation during the year 1987-88 ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) The cost of collection of one rupee income-tax during the financial year 1986-87 at 2.12 paise was lesser by .12 paise as compared to the cost of collection for 1984-85 but was costlier by .13 paise as compared to that of 1985-86.

(b) To improve the situation during 1987-88, steps have been taken to maximise the collections and minimise the expenditure.

Raids on Some Top Banking and P and T Officials

2141. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state :

(a) whether any raids have been conducted recently by Enforcement Directorate on the top officials of Banking and Postal and Telecommunications (P&T) services ; and

(b) if so, the results thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). The Directorate of Enforcement (FERA) had conducted searches in the premises of 5 bank officials and seized certain documents revealing violations of the various provisions of the FERA. Adjudication proceedings have already been initiated against 3 parties, besides launching prosecution against one of them. The investigations against the remaining two parties are in progress.

Demand of Oil Cake and Groundnut Abroad

2142. SHRI MOHANBHAI PATEL : Will the Minister of COMMERCE be pleased to state :

(a) whether there is a great demand for groundnut oil cake abroad ;

(b) if so, the quantity of oil cake exported during last three years and the foreign exchange earned.

(c) whether it is a fact that the production of groundnut oil cake has declined due

to continuous drought in the groundnut producing States particularly in Gujarat ; and

(d) the effect on the export ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) There is a reasonable demand for groundnut extractions in the international market.

(b) India's exports of groundnut extractions during the last three years, as per provisional data compiled, were as follows :

Year	Quantity (Tonnes)	Value (Rs. in crores)
1984-85	2,96,523	48.02
1985-86	1,65,593	28.25
1986-87	2,89,932	53.72

Source : The Groundnut Extractions Export Development Association, Bombay.

(c) Yes, Sir.

(d) Exports of groundnut extractions during 1987-88 are likely to be affected marginally compared to average level of exports over the past three years.

IDA Aid to Developing Countries

2143. SHRI PARASRAM BHAR-DWAJ : Will the Minister of FINANCE be pleased to state :

(a) whether the International Development Assistance proposes to phase out certain developing countries like India for purpose of receiving concessional aid under IDA's programme for helping developing countries in the matter of planned economic development ;

(b) if so, the details of the proposal ; and

(c) Government's reaction thereto ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) No Sir.

(b) and (c). Does not arise.

Import of Sophisticated Machinery for Bicycle Export

2144. SHRI SHANTARAM NAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have taken any steps so as to facilitate import of sophisticated machinery needed for manufacturing bicycles ; and

(b) if so, the details thereof and other measures being taken to augment export of bicycles ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). Yes, Sir. Seven categories of sophisticated machinery not indigenously available relating to different aspects of bicycle and component manufacture have been placed under Open General Licence. In addition Government has announced a number of measures to assist exporters which would also promote bicycle and bicycle components exports. These measures inter-alia include, liberalisation of licensing procedures, a new CCS regime to compensate for the cascading effect of domestic taxation; access to raw materials and consumables at international competitive

prices ; reduction in rates of pre and post shipment credit ; higher debt equity ratio for identified export thrust industries ; introduction of a new blanket permit scheme liberalising provisions for export promotion activities.

Government has announced certain measures specifically for the bicycle and bicycle components industry which inter-alia include :

- (i) Assistance for technological upgradation of the industry.
- (ii) Removal of bicycle industry from the negative list for import of technology.
- (iii) Setting up of a task force by the Development Commissioner of Small Scale Industries to examine the aspects of technological upgradation of Small Scale Units producing bicycle components.
- (iv) Permission to exporters to take product liability insurance with insurance companies operating abroad.
- (v) Government is encouraging trading houses in the Public Sector such as STC and HMT to assist in the marketing of bicycle components produced by the small scale sector.

Synthetic Spinning Mill in Orissa

2145. SHRI HARIHAR SOREN : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have proposal to set up a synthetic spinning mill in Keonjhar district of Orissa ;

(b) whether letter of intent has been granted for the location of the synthetic spinning mill ;

(c) if not, the reasons for the delay ; and

(d) when the spinning mill is expected to be set up ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINIS-

TRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) to (d). A proposal for the grant of a licence for a spinning unit in Keonjhar district of Orissa in the cooperative sector was not approved as it did not satisfy the locational guidelines.

Assistance by RRBS in Orissa to Meet Drought Situation

2146. SHRI HARIHAR SOREN : Will the Minister of FINANCE be pleased to state :

(a) the guidelines sent by his Ministry to the regional rural banks to assist the concerned State Government in meeting drought situation ;

(b) the steps initiated by different regional rural banks in that direction in Orissa ; and

(c) the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The National Bank for Agriculture and Rural Development in consultation with the Reserve Bank of India have issued recently the following guidelines to all Regional Rural Banks including those in Orissa for providing relief in drought affected areas :

(i) conversion of short-term crop loans into medium term loans ;

(ii) rescheduling of converted loans ;

(iii) in respect of short term crop loans converted/rescheduled as medium term loans, the RRBs will defer the recovery of amounts falling due for recovery for a period of two years or till the next normal year if it occurs earlier ;

(iv) in respect of short term crop loans issued for each of the three or more years affected by drought/floods, the banks will grant this year the conversion/reschedulement facility to the affected borrowers for a period of 7 years instead of usual period of 5 years ;

(v) the rate of interest on such converted/rescheduled loans not exceeding Rs. 5000/- shall be 10 per

cent per annum ;

- (vi) banks shall not charge penal interest on individual agricultural loans upto Rs. 25,000/- borrowed during each of the three or more years of consecutive drought/flood and banks will also not compound interest on such dues. It will also be ensured that total interest payable by small/marginal farmers does not exceed the principal amount ; and
- (vii) the NABARD will provide refinance at an enhanced share of 75 per cent instead of 70 per cent at present

Financial Assistance from Canada

2147. SHRI HARIHAR SOREN : Will the Minister of FINANCE be pleased to state :

(a) whether Government have sought financial assistance from Canada to implement oil seeds projects in the country ;

(b) if so, the amount of assistance to be provided by Canada for that purpose ;

(c) whether Canada will also provide assistance for implementation of some other projects in the field of Petroleum and Natural Gas ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). The Government of Canada have agreed to provide Commodity Grant assistance for a value of C\$ 89 million in support of NDDB's Oil Seeds development project.

(c) and (d). The Canadian International Development Agency would also be making available a grant upto C\$ 75 million to finance the procurement of goods and services from Canada by the Indian Oil and Gas Sector. This grant will be utilised in parallel with a loan up to C\$ 123 million to be provided by the Canadian Export Development Corporation for the same purpose.

Agricultural Loans Advanced by State Bank of India in Kerala

2149. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of FINANCE be pleased to state :

(a) the total amount of agricultural loans advanced by the State Bank of India in Kerala during 1986 and the first three quarters of 1987 ; and

(b) the districts of Kerala in which the major portion of the loans was advanced, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) State Bank of India (SBI) has informed that the total amount of Agriculture loans advanced by it in Kerala during the year 1986 and the half year ended June 1987 were as under :

	Amount (Rs. in lakhs)
During 1986	1425.13
During the half year ended June, 1987	3258.70

(b) According to State Bank of India (SBI), comparatively larger share of its outstanding agricultural advances are in the districts of Trichur, Alleppey, Calicut, Cannanore, Palghat, Trivandrum, Malappuram, Idukki, Kottayam and Ernakulam.

Import and Export with Pakistan

2150. SHRI AMARSINH RATHAWA : Will the Minister of COMMERCE be pleased to state :

(a) whether curbs on imports and exports to Pakistan have been lifted, if so, when ;

(b) the items imported thereafter and the value thereof ; and

(c) the items and value thereof exported to Pakistan during that period ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) There are no restrictions on imports from and exports to Pakistan.

(b) and (c). India's trade with Pakistan since 1985-86 is as indicated below :

(Value in Rs. crores)

Year	Export	Import
1985-86*	14.63	26.70
1986-87*	14.95	27.50
1987-88* (April-June)	03.83	04.79

*Provisional.

Source : DGCI & E, Calcutta.

West German Aid for Indian Export

2151. SHRIMATI JAYANTI PATNAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether West Germany has been providing financial aid to India to increase its export ;

(b) if so, the different sector in which West German assistance is being utilised to increase export ; and

(c) the amount of West German aid received so far and likely to be received by the end of 1988 ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). In recent years there has been no financial assistance received from the Federal Republic of Germany to directly help increase India's exports. The FRG authorities have offered

assistance for product and market development in selected export sectors to help improve India's export performance. According to the FRG authorities this assistance is estimated to be of the order of DM 5 million for a two-year period.

Indo-Turkish Trade

2152. SHRIMATI JAYANTI PATNAIK : Will the Minister of COMMERCE be pleased to state :

(a) whether Indo-Turkish trade has declined in recent years ;

(b) if so, the reasons therefor ; and

(c) the steps taken to improve Indo-Turkish trade relations ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). The level of Indo-Turkish trade in recent years has not declined as is evident from the following figures :

(Rs. crores)

	Export	Imports	Total Trade
1984-85	2.54	33.63	36.17
1985-86*	9.46	34.81	44.27
1986-87*	31.79	147.72	179.51

*Provisional

(c) There has been a steady improvement in exchange of delegations representing the business and industry encouraged and promoted by the two countries.

Supply of Cheaper Diesel to Industrial Units

2153. SHRI BALASAHEB VIKHE PATIL :

DR. V. VENKATESH :

Will the Minister of COMMERCE be pleased to state :

(a) whether Government have mooted a proposal to supply cheaper diesel to industrial units exporting more than 25 per cent of total production ;

(b) if so, whether Government have identified the units that will qualify for this facility ; and

(c) if so, the broad outlines thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). Government have decided that units exporting 25% or more of their production should be supplied diesel oil at prices comparable to international price to the extent it is used for captive power generation in relation to the production exported. Units desiring to avail of this assistance would be required to register themselves with the Government furnishing details of the exports made, the standby power generation facility installed, etc. The assistance will be granted after due verification of the relevant parameters.

Refinance Facility by NABARD for Purchase of Tractors

2154. SHRI S.M. GURADDI :

SHRI G.S. BASAVARAJU :

Will the Minister of FINANCE be pleased to state :

(a) whether Government have taken up with National Bank for Agriculture and Rural Development the question of liberalising the refinance facility for purchase of tractors in view of the drought conditions ;

(b) whether Government are also exploring the possibilities of bringing down the present margin money requirement of 15

per cent and further relaxation in financing stipulations ; and

(c) if so, to what extent National Bank for Agriculture and Rural Development has agreed for liberalisation and what are the other measures being considered in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Certain suggestions received by the Government relating to reduction in the quantum of margin required to be paid by the borrowers from 15% to 10%, reduction in rate of interest to 10% and deferment of principal and interest in respect of loans for purchase of tractors, had been referred to the National Bank for Agricultural and Rural Development (NABARD) for their consideration. NABARD after consideration of these matters has reported that margin payment of 5%, 10% and 15% is normally prescribed for agriculture development projects depending upon the category of borrowers viz. small farmers, medium farmers and big farmers. NABARD has felt that the bigger farmers, from whom a margin of 15% is required, should be in a position to meet the same. Further, NABARD has felt that rate of interest at 12.5% per annum on loans for purchase of tractor is already concessional and there may not be any scope for reduction in the rate of interest particularly for such section of farming community who may go in for purchase of tractors.

As regards deferment of principal and interest, Reserve Bank of India (RBI) has already issued instructions to the effect that in the case of farmers affected by drought successively for three or more years, banks may defer recovery of amounts falling due on account of principal as well as interest in the current year (July 1987-June 1988) for a period of two years or till the next normal year, if it occurs earlier, on the merits of each case.

Aircraft Carriers

2155. SHRI BHADRESWAR TANTI :

DR. V. VENKATESH :

SHRI BALASAHEB VIKHE PATIL :

Will the Minister of DEFENCE be

pleased to state :

(a) whether Government have the technical know how for building a massive aircraft carriers indigenously ;

(b) if so, whether the required manpower has been prepared for it ;

(c) if so, the details thereof ; and

(d) how long will it take to build such an aircraft ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a) to (d). The Indian Navy have carried out certain preliminary design studies for the possible construction of a suitable indigenous aircraft carrier. The augmentation of manpower and other necessary requirements shall be considered at the appropriate stage. When the on-going studies are completed, it would be possible to state the likely period within which such a vessel can be indigenously constructed.

[Translation]

Increase in Price of Copper by MMTC

2156. SHRI BALWANT SINGH RAMOOWALIA :

DR. CHINTA MOHAN :

Will the Minister of COMMERCE be pleased to state :

(a) whether the recent increase in the price of copper by the Minerals and Metals Trading Corporation has caused crisis in the industries reutilising this metal ;

(b) if so, whether Government propose to give relief to these industries ;

(c) if not, the reasons therefor ; and

(d) whether it is also a fact that there has been an increase of 25 per cent to 35 per cent in the price of copper during the last one year ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). The industry has been expressing its concern about the steep increase in sale prices of copper in the country. Sale prices of copper imported by MMTC are decided by a Committee based

on international prices, freight, insurance etc. However the matter relating to suitable pricing policy for copper, taking into account the interests of the consumers as well as indigenous producers, has been referred to Bureau of Industrial Costs and Prices for consideration.

(d) The price of copper wire bar was Rs. 44,000 and Rs. 61,000 per tonne in October, 1986 and October, 1987 respectively. There has, thus, been a 38.6 per cent increase in prices in the past one year.

[English]

Foreign Drought Aid

2157. DR. DATTA SAMANT : Will the Minister of FINANCE be pleased to state :

(a) whether the United States and the World Bank have offered some aid for the drought in India during the recent visit of the Prime Minister ?

(b) the details of those Economic and Food aid extended by the European Economic Community so far ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). A statement showing the details of the offers of assistance received from different sources including USA, World Bank and European Economic Community is given below.

(See columns 145—150).

Proposal to Set Up Free Port at Daman by NRIs

2158. DR. DATTA SAMANT : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have received any proposal to set a free port in the Union Territory of Daman by Non-Resident Indians ; and

(b) if so, the decision taken by Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) No, Sir. However, some articles have appeared in the press to the effect that non-resident Indians prefer the establishment of a free port in Daman.

(b) Does not arise.

Statement

Offers of Assistance for India's Drought Relief Programmes

Sl. No.	Country	Amount of Assistance	Terms	Purpose	Remarks
1	2	3	4	5	6
1	Japan	Yen 29.5 billion (Rs. 270 crores)	Interest—2.75% Repayment—25 years with a grace period of 7 years	Import of edible oils and drought-related commodities.	Loan is untied and can be used for import from any source. The loan is yet to be negotiated.
2.	U.S.A.	Rs. 8 crores (approx.)	Grant	Supply of 5200 MT of butter oil to Indian Dairy Corporation.	An agreement was signed in this regard on 29-9-1987. In addition, a package of assistance for drought relief is being discussed between USA and Government of India which may include advance drawal of committed funds and supplies under their Export Enhancement Programme and grants under Section 416.
3.	Soviet Union	Rs. 10 crores (approx.)	Grant	Supply of 6 drilling rigs and 35 water pumps as also the services of experts.	Letters exchanged between USSR and Government of India on 26-10-1987.

1	2	3	4	5	6
4.	E.E.C.	ECU 20 million (approx. Rs. 30 crores)	Grant	<p>(a) Cash assistance of ECU 5 million.</p> <p>(b) Supply of 9000 tonnes of vege- table oil, 2000 tonnes of skimm- ed milk powder and 3000 tonnes of butter oil.</p>	Of the cash assistance of ECU 5 million 1.5 to 2 million ECU to be channelis- ed through NGOs and the balance through Government channels.
5.	F.R.G.	DM 10 million (Rs. 7 crores)	Grant	Import of edible oil.	This assistance is over and above the normal aid alloca- tion. The amount has to be utilised by 31-12-1987, therefore the oil is expected to come into the country shortly. The possibility of obtaining additional grant from FRG is also being dis- cussed.
6.	Belgium	B. Fr. 10 million (Rs. 30 lakhs)	Cash assistance		There is a possibility of supply of sugar, flour, edible oil, skimmed milk and butter also.
7.	France	FF 40 million	Grant	Import of rapeseed oil.	This would be above the normal aid allocation.

8.	World Bank	\$350 million	<p>(a) \$200 million IDA 35 years repayment including 10 years grace. 0.5% commitment fee on undischursed amount and 0.75% service charge on dischursed amounts.</p> <p>(b) \$150 million IBRD 7.76% interest p.a. 20 years repayment including 5 years grace. 0.75% commitment fee on undischursed amounts.</p>	<p>To provide BOP and budgetary support to Government of India in meeting the additional costs imposed by the drought.</p>	<p>The Board of EDs of the Bank is expected to approve the proposal towards the end of November, 1987.</p>
9.	Sweden	<p>No specific offer made. However, Sweden is examining the possibility of utilisation of savings of about Sw. Fr. 100 million (Rs. 20 crores) out of the normal bilateral aid for the import of commodities like edible oil (from Sweden).</p>

Loan to States on a Respective Small Savings Collection Basis2159. **SHRI S.M. GURADDI :****SHRI S.B. SIDNAL :****SHRI G.S. BASAVARAJU :**

Will the Minister of FINANCE be pleased to state :

(a) whether the Karnataka State has asked the Union Government to change the pattern of giving loans to States on the basis of the States' small savings collection ;

(b) if so, whether the State Government of Karnataka has also asked the Centre to give loans to States on the basis of their month-wise collections towards the small savings ;

(c) if so, whether the State Government has stated that the present pattern of giving loans are unfair ; and

(c) if so, Government's reaction thereon ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). Small Savings Loans to State Governments are sanctioned every month based on progressive net collections in each State. No change in this procedure is found necessary.

Structural Changes in Hierarchy of Revenue Courts2160. **SHRI S.M. GURADDI :****SHRI G.S. BASAVARAJU :**

Will the Minister of FINANCE be pleased to state :

(a) whether the Law Commission has recommended structural changes in the hierarchy of courts dealing with conflicts and controversies arising out of the levy and collection of taxes and enforcement of import-export laws ;

(b) if so, the main recommendations given by the Commission in this regard ; and

(c) the recommendations examined and accepted so far ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN

THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Yes, Sir.

(b) The main recommendations of the Law Commission are as follows :

Direct Taxes

The main recommendation is for the establishment of Central Court of Direct Taxes (with benches at various places) having all India jurisdiction at a stage above the Income-tax Appellate Tribunal and below the Supreme Court. The Income-tax Appellate Tribunal as at present would be the last fact finding authority. Central Court of Direct Taxes will have jurisdiction to entertain appeals on question of law against decisions of the Income-tax Appellate Tribunal. All references presently pending with the High Court shall stand transferred to the Central Courts.

Indirect Taxes

The Law Commission has in para 3.10 expressed opinion that no Tribunal should be set up under Article 323-B of the Constitution. Similarly, in Chapter 4 (para 4.7) of the Report, the Law Commission has recommended that the Central Tax Court for indirect taxes should also deal with the decision of the Chief Controller or the Additional Chief Controller rendered in appeal or as an adjudicating authority.

(c) The recommendations regarding Direct Taxes are under consideration of the Government.

The recommendation regarding setting up of a Central Tax Court for indirect taxes was examined. The Government did not consider necessary to review the decision already taken to set up a Tribunal under Article 323-B and for which the Act was already enacted.

Distribution of Controlled Cloth by NTC2162. **SHRI BHADRESWAR TANTI :****SHRI BALASAHEB VIKHE PATIL :****DR. V. VENKATESH :**

Will the Minister of TEXTILES be pleased to state :

(a) whether National Textile Corporation is introducing any new scheme for

distribution of controlled cloth to consumers ;

(b) if so, whether NTC had any discussions with representative of State Federations and Co-operatives in early September, 1987 to consider the scheme ; and

(c) if so, the salient features thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) No, Sir.

(b) and (c). Do not arise.

Fiscal Steps for Boosting Export

2163. SHRI BHADRESWAR TANTI : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have taken fiscal steps to boost export ;

(b) if so the details thereof ;

(c) the exportable items ; and

(d) whether one major move has been a putting the engineering exports in the right perspective ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). To promote exports, Government has a scheme of offsetting for income-tax assessment purposes 4% of net foreign exchange earned and 50% of profits attributable to exports if it is retained for purposes of business. Moreover, for certain selected sectors, like leather, gem and jewellery and garments, Capital Goods imports are allowed at concessional rates of duty.

(d) Government attaches high priority to exports of engineering products and has identified it as one of the thrust sectors for export.

Loss in NTC

2164. SHRI BHADRESWAR TANTI :

SHRI V.S. VIJAYARAGHAVAN :

Will the Minister of TEXTILES be pleased to state :

(a) whether National Textile Corporation has suffered heavy loss this year ;

(b) if so, unit wise details thereof ; and

(c) the steps taken to obviate the losses ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) and (b). NTC is reported to be incurring losses during the current year also. The exact amount of loss incurred is not yet available as the accounts would be drawn up only after the end of the current financial year.

(c) The performance of NTC is reviewed by the Government periodically. NTC has issued guidelines for formulation of mill-specific Action Plans to improve their performance.

Annual Expenditure of MPEDA

2165. SHRI DAULATSINHJI JADEJA : Will the Minister of COMMERCE be pleased to state :

(a) the annual expenditure of Marine Products Export Development Authority (MPEDA) during last three financial years ;

(b) the break-up of expenditure for different regional offices of MPEDA for the corresponding period ; and

(c) the expenditure on foreign travel during last three years, year-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) The annual expenditure of Marine Products Export Development Authority (MPEDA) during last three financial years as given below :

(Rs. in lakhs)

	1984-85	1985-86	1986-87
Plan Schemes	211.45	214.20	372.87
Non-Plan	93.02	107.81	101.29
Total	304.47	322.01	474.16

(b) The Plan budget of MPEDA is prepared scheme-wise on All-India basis. No separate regionwise allocation is made. The break-up of non-plan expenditure for different Regional Offices during the last three years is as follows :

(Rs. in lakhs)

	1984-85	1985-86	1986-87
Regional Office of Cochin	5.84	5.13	9.07
Regional Office of Madras	5.13	4.82	7.25
Regional Office of Calcutta	3.83	3.12	4.95
Regional Office of Bombay	5.50	49.20	7.25
Total	20.30	62.27	28.52

(c) The expenditure on foreign travel during the last three years is given below :

1984-85	Rs. 6.42 lakhs
1985-86	Rs. 6.52 lakhs
1986-87	Rs. 4.98 lakhs

[Translation]

Loss in N.J.M.C. Mill, Katihar

2166. PROF. CHANDRA BHANU DEVI : Will the Minister of TEXTILES be pleased to state :

(a) whether NJMC (National Jute Manufactures Corporation) Katihar Mill is running in loss due to administrative inefficiency ;

(b) whether there is lack of efficient top management ; and

(c) if so, the remedial steps being taken ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) The RBHM Unit of National Jute Manufactures Corporation located at Katihar (Bihar) is incurring losses mainly due to old and dilapidated machinery with very low productivity higher wage cost being a highly labour intensive unit, and expensive power generation cost as the mill is not getting power from the Bihar State Electricity Board.

(b) No, Sir.

(b) Does not arise.

Profit Earned by STC

2167. PROF. CHANDRA BHANU DEVI : Will the Minister of COMMERCE be pleased to state :

(a) the amount of profit earned by State Trading Corporation (STC) during 1985-86 and 1986-87 ; and

(b) the target fixed for the year 1987-88 ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R.

DAS MUNSI) : (a) and (b). The profits earned by STC during 1985-86 and 1986-87 and the expected profit for 1987-88, are given below :

(Rs. in crores)

	1985-86	1986-87	1987-88 (expected)
(i) Profit Before Tax	61.66	55.41	42.71
(ii) Profit After Tax	32.66	26.41	26.42

Losses to Tea Trading Corporation of India

2168. PROF. CHANDRA BHANU DEVI : Will the Minister of COMMERCE be pleased to state :

(a) whether Tea Trading Corporation is running in losses ; and

(b) if so, the losses suffered by it during the last three years ; year-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Yes, Sir.

(b) The profit/losses figures during 1982-83, 1983-84 and 1984-85 are given as under :

(Figures in lakhs rupees)

Year	Profit (+)/ Loss (—)
1982-83	(—) 346.89
1983-84	(—) 539.43
1984-85	(—) 210.87

Accounts for the years 1985-86 and 1986-87 are being finalised.

Smuggling of Gold and Ganja on Indo-Nepal Border

2169. PROF. CHANDRA BHANU DEVI : Will the Minister of FINANCE be pleased to state :

(a) whether smuggling of gold and ganja has increased on Indo-Nepal Border in the recent few years ; and

(b) if so, the value of smuggled goods seized in 1986 and 1987 (till October) ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). Reports received by the Government and seizures made indicate that gold and ganja continue to be sensitive to smuggling across the Indo-Nepal Border. The total value of smuggled goods seized, indicating separately the value of gold and ganja seized, in the Indo-Nepal-border region during the years 1986 and 1987 (upto October) is given below :

(Value Rs. in lakhs)

Year	Value of gold seized	Value of ganja seized	Total value of smuggled goods seized
1986	24.96	294.53	895
1987 (upto October)	30.09	195.21	940

[English]

Target for Garment Export

2170. SHRI SRIKANTHA DATTA NARASIMHARAJA WADIYAR : Will the Minister of TEXTILES be pleased to state :

- (a) the target set for the export of garments for the current financial year ;
- (b) the achievement made so far ;
- (c) whether the target fixed for the current year would be achieved if export position remains as it is now ; and
- (d) if not, the details of the steps proposed to be taken to increase garments export ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) The target fixed for the export of garments during the current financial year is Rs. 1450 crores.

(b) The export of garments during April-September this year was Rs. 954 crores. (Source : AEPC).

(c) Yes, Sir.

(d) Does not arise.

Conversion of Short Term Loans into Medium Term Loans by Nationalised Banks

2171. SHRI SRIKANTA DATTA NARASIMHARAJA WADIYAR : Will the Minister of FINANCE be pleased to state :

(a) whether some public sector banks have converted some short term loans into medium term loans during the current financial year ;

(b) if so, the details of these short term loans and the names of the public sector banks which have converted short term loans into medium term loans ;

(c) the total amount of loans converted into medium term loans ; and

(d) the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). The Reserve Bank of India has reported that the information received from the nationalised

banks indicate that they have started extending credit support by way of conversion of short term loans into medium term loans to farmers and others affected by natural calamities like drought/floods etc. during the current financial year. The information so far received from nationalised banks indicate that conversion of loans to the persons affected by droughts/floods have been extended in 1,24,295 accounts involving an amount of Rs. 53.08 crores.

Adoption of Villages by Banks to Help Poor People

2172. SHRI S.B. SIDNAL :

SHRI G.S. BASAVARAJU :

Will the Minister of FINANCE be pleased to state :

(a) whether Canara Bank has adopted some villages in the Chitradurga branch in Bangalore and has decided to help the poverty stricken residents to raise their standard of living ; and

(b) if so, whether all the banks have been asked to adopt such practice to raise the minimum standard of the poor people ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Presumably, the Hon'ble Member is referring to adoption of villages by the Chitradurga Branch of Canara Bank under the Village Adoption Scheme. Canara Bank has reported that their Chitradurga Branch has adopted one village, namely Gulayanahatti for providing financial assistance and undertaking certain extension activities. The other public sector banks have also adopted a number of villages under the Village Adoption Scheme, in various parts of the country.

Violation of Price Norms for the Sale of Carpet Backing Cloth

2173. SHRI SATYAGOPAL MISRA :

SHRI AJIT KUMAR SAHA :

Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that about half a dozen exporters who repeatedly violated canalisation and statutory minimum price norms relating to sales of carpet-backing

cloth to the United States were let off the hook by the Jute Commissioner ; and

(b) if so, the consideration for doing so ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) and (b). The exports of Carpet Backing Cloth (CBC) to USA are canalised through STC. A number of export contracts for export of carpet backing cloth were registered with Jute Commissioner's Office showing that the goods are to be shipped to Non-Latin American Ports in transit to Latin American countries. In order to ensure that the goods reach the declared destination, a circular has been issued to all shippers who got their export contracts for CBC registered with Jute Commissioner from November, 1986 to furnish a certificate duly countersigned by the Customs authorities of the country of destination alongwith corresponding registration number and data etc. For future the shippers have been informed that such contracts will be registered by Jute Commissioner only if the same are accompanied by a written/undertaking about submission of Landing certificate, duly countersigned by custom authorities, of country of ultimate destination within 20 days from date of arrival of goods.

Excise Duty Arrears

2174. SHRI RAM BHAGAT PASWAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government have taken any effective steps to realise excise duty from these companies against whom show-cause notices for evasion of excise duty for more than Rs. 200 crores have been issued ; and

(b) the names of companies against whom show-cause for excise duty evasion of Rs. 200 crores and more have been issued and are pending realisations therefrom ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN

THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). Show cause notices for evasion of central excise duties aggregating over Rs. 200 crores have been issued to two companies only, namely :

(i) M/s. I.T.C. Ltd. ; and

(ii) M/s. N.T.C.

In case of M/s. I.T.C. Ltd. the major case involving over Rs. 800 crores is presently sub-judice before Calcutta High Court. The other cases of M/s I.T.C. are pending decision before various Collectors of Central Excise. As regards M/s. N.T.C., all the cases are sub-judice before the Delhi High Court and interim stay has been obtained by M/s. N.T.C. against any further departmental proceedings.

The Ministry is making all efforts to have the Court cases disposed of expeditiously and to get stay orders vacated where granted. The departmental adjudication proceedings in the remaining cases are in progress. Effective steps will be taken to recover the dues immediately after these proceedings are completed.

Pending Claims of LIC

2175. DR. DATTA SAMANT : Will the Minister of FINANCE be pleased to state :

(a) the total number of pending claims of Life Insurance Corporation as on 30th September, 1987 ; and

(b) the total number of Life Insurance Corporation claims settled in the last two years ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The total number of pending maturity and death claims of Life Insurance Corporation of India as on 30th September, 1987 was 76,225 and 17,234 respectively.

(b) The number of claims settled by the LIC during the last two years is as under :

Year	Number of claims settled	
	Maturity	Death
1985-86	12,78,443	1,04,548
1986-87	13,54,285	1,09,827

Requirement and Import of Gold

2176. DR. DATTA SAMANT : Will the Minister of FINANCE be pleased to state :

(a) the requirement of gold in the country ; and

(b) how much will be imported in the year 1987-88.

Gold supplied by the Foreign Buyer as per scheme at Annexure I, Appendix 22 of the Import-Export policy.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) As gold is not an essential commodity the Government has not assessed the total requirement of gold in the country.

(b) The estimated quantity of import of gold under the two schemes is indicated below :

Gold purchased by SBI for release to exporters as replenishment under Gold Jewellery Export Promotion and Replenishment Scheme at Annexure III, Appendix 22 of the Import-Export policy.

1987-88 (Estimated imports)

Quantity (Grams)	Value (Rs.)	Quantity (Grams)	Value (Rs.)
20,00,000	45,00,00,000	18,05,574	42,84,33,364

[Translation]**Losses Suffered by Regional Rural Banks**

2177. SHRI DILEEP SINGH BHURIA : Will the Minister of FINANCE be pleased to state :

(a) the total number of regional rural banks opened in the country so far and the number of branches of these banks in the country ;

(b) whether each regional rural bank is incurring heavy losses ; and

(c) if so, the total amount of loss incurred in crores of rupees since the incep-

tion of the first regional rural bank and the name of the sponsoring bank whose sponsored regional rural bank has incurred maximum loss ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) As at the end of March, 1987 there were 195 Regional Rural Banks (RLBs) in the country with a network of 12934 branches.

(b) No, Sir.

(c) The losses incurred by RRBs since their inception in 1975 are indicated in the following Table :

Year	No. of RRBs in (total)	No. of RRBs in Losses	Amount of loss (Rs. in lakhs)
1	2	3	4
1975	6	—	—
1976	40	14	2.51
1977	48	21	36.68
1978	51	29	54.45

1	2	3	4
1979	56	20	61.97
1980	85	29	104.00
1981	105	43	220.00
1982	124	76	601.00
1983	150	100	968.76
1984	173	130	1585.90
1985	188	152	2971.28
1986	194	147	3319.51

Nagarjuna Grammeena Bank sponsored by the State Bank of India has incurred the maximum loss amongst all the RRBs in 1986.

[English]

pleased to state :

Uniform Taxation Policy on Motor Vehicles

2178. SHRI MULLAPPALLY RAMA-CHANDRAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government have received any representation to introduce uniform taxation policy on motor vehicles throughout the country ; and

(b) if so, the response of Government in the matter ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). The taxation policy introduced by the Central Government in respect of motor vehicles is already uniform throughout the country. Similar type of vehicles manufactured in the country attract uniform rate of excise duty. However, Road taxes on vehicles are determined by the State Governments.

Diamond Export

2179. SHRI PRAKASH CHANDRA :

SHRI DHARAM PAL SINGH MALIK :

SHRI M. RAGHUMA REDDY :

Will the Minister of COMMERCE be

(a) the estimated value of diamond exports during the past six months country-wise break-up ;

(b) whether Government propose to boost the export of diamonds and if so, the details of the proposal ; and

(b) how much foreign exchange is likely to be earned as a result thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). Diamond Exports during the first six months, April to September '87, are estimated to be Rs. 1159 crores (Provisional). Exports in the year 1987-88 are likely to exceed Rs. 2200 crores as compared to Rs. 1960 crores in 1986-87. The major countrywise break-up is given below in statement.

(c) Intensified marketing efforts in selected thrust markets, product and market diversification, improvement in productivity are some of the steps proposed to be taken to further increase the export of gem and jewellery.

Statement
Export of Cut and Polished Diamonds
from India

(Value Rs. crores)

Country	April/September, 1987 (Provisional)
USA	480.88
Japan	220.01
Belgium	175.49
Hong Kong	148.75
Switzerland	23.76
West Germany	17.76
Thailand	16.01
Singapore	10.61
UK	9.27
Others	56.62
Total	1159.16

Smuggling of Snake Skin

2180. SHRI PRAKASH CHANDRA :

SHRI DHARAM PAL SINGH
MALIK :

SHRI M. RAGHUMA
REDDY :

Will the Minister of FINANCE be
pleased to state :

(a) whether snake skin is being smuggled
in large scale from the country ;

(b) if so, whether any arrest has been
made in this smuggling during the last one
year and value of snake skin seized ; and

(c) whether any action has since been
contemplated against the persons who were
arrested and if so, the details thereof ?

THE MINISTER OF STATE IN THE
DEPARTMENT OF EXPENDITURE IN
THE MINISTRY OF FINANCE (SHRI
B.K. GADHVI) : (a) Report received by
the Government and seizures made indicate

that snake skins continue to be sensitive to
smuggling out of the country.

(b) and (c). The information is being
collected and will be laid on the Table of
the House.

**RBI Survey Regarding Regulation of
Exports**

2181. SHRI BHATTAM SRIRAMA
MURTY : Will the Minister of FINANCE
be pleased to state :

(a) whether Government's policy does
not permit regulatory clauses with respect
to exports while approving foreign colla-
boration ;

(b) whether the latest survey conducted
by the Reserve Bank of India found that
prohibition and regulation of exports to be
the "most common type of restriction" in
the collaboration agreement ;

(c) if so, how far such restrictions are
responsible for the poor performances of
India's Chemical and Engineering exports ;
and

(d) whether Government plan to invali-
date such collaboration ?

THE MINISTER OF STATE IN THE
DEPARTMENT OF EXPENDITURE IN
THE MINISTRY OF FINANCE (SHRI
B.K. GADHVI) : (a) and (d). Government
do not favour export restrictions. However,
the foreign collaboration guidelines do pro-
vide that an Indian party to a collaboration
may, if the foreign collaborator so desires,
accept restriction on export of collaboration
products to countries where the foreign
collaborator has existing licensing arrange-
ments.

(b) In the 580 agreements surveyed by
the Reserve Bank of India it was found that
there were 716 restrictive clauses of one kind
or the other and, of the latter, 594 clauses
pertained to exports. However, a substan-
tial majority of the restrictive clauses per-
taining to exports had imposed restrictions
on exports to the foreign collaborator's own
country or to countries where the foreign
collaborator already had existing licensing
arrangements for manufacture.

(c) Export restrictive clauses are only
one of the many factors affecting export
performance. There are other factors like

domestic demand, and the quality of the product, its price competitiveness, international demand etc.

Joint Venture Abroad

2182. SHRI BHATTAM SRIRAMA-MURTY : Will the Minister of COMMERCE be pleased to state :

(a) the total number of joint ventures abroad approved by the Government till the end of 1986 ;

(b) whether any such ventures had been abandoned before implementation and were taken over by the local entrepreneurs/Governments ;

(c) if so, the details of those projects after implementation and who are their promoters ;

(d) the share of each of the joint ven-

tures in foreign exchange out go and inward remittances ; and

(e) in view of the past experience of earlier joint ventures' whether any new criteria have been fixed by Government for approving new ventures ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) There were 534 joint ventures abroad approved by the Government till the end of 1986.

(b) 260 ventures were abandoned before implementation.

(c) Such details are not sent to us by projects abroad which are abandoned before implementation. Hence the information is not maintained.

(d) and (e). A Statement is given below.

Statement

(d) List of Indian Promoters of the Joint Ventures Abroad and details of Outflow and Inflow of Foreign Exchange as on 31st December, 1986.

(i) *For Joint Ventures in operation.*

S. No.	Name of the Indian Promoter	Outflow of foreign exchange (Rs. in lacs)	Inward remittance to India towards Dividends, royalty tech. know-how fee etc. (Rs. in lacs)
1	2	3	4
Hongkong			
1.	M/s. Development Consultants (P) Limited, Calcutta.	—	596.86
2.	M/s. Mehra Jewellers, New Delhi.	—	0.47
Indonesia			
3.	M/s. Raymond Wollen Mills, Bombay	—	14.32
4.	M/s. Century Spinning and Mfg. Co. Limited, Bombay	—	6.52
5.	M/s. Bharat Commerce and Industries Limited, New Delhi	—	33.60
6.	M/s. P.T. Ispat Industries Limited, Calcutta	—	43.48

1	2	3	4
7.	M/s. Kusum Product Ltd., Calcutta	40.52	—
8.	M/s. Godrej and Boyce Mfg. Co. (P) Limited, Bombay	—	—
9.	M/s. Bombay Dyeing and Mfg. Co. Limited, Bombay	—	—
10.	M/s. Gokak Patel Volkart Limited, Bombay	0.50	—
11.	M/s. Gwalior Rayon Silk Mfg. Co. Limited, Nagda	—	43.11
12.	M/s. Tungabhadra Industries Limited, Secunderabad	—	—
13.	The Standard Mills Co. Limited, Bombay	—	—
Malaysia			
14.	M/s. Godrej and Boyce Mfg. Co. (P) Limited, Bombay	—	29.35
15.	M/s. Ajit Wire Industries (P) Limited, Bombay	1.209	16.70
16.	M/s. Kirloskar Electric Co. Limited, Bangalore	7.407	44.98
17.	M/s. Gupta Machine Tools Ltd., Calcutta	—	1.45
18.	M/s. L.G. Balakrishnan and Bros. Limited, Coimbatore	—	0.16
19.	M/s. J.G. Glass Industries Ltd., Pune	—	1.19
20.	M/s. Bombay Auto Ancillary and Investment (P) Ltd., Bombay	3.062	27.67
21.	M/s. Hindustan Safety Glass Works Limited, Calcutta	—	10.58
22.	M/s. India Piston Limited, Madras	—	4.135
23.	Ms. Excel Process (P) Limited, Bombay	2.397	—
24.	M/s. Zaverchand Gaekwad (P) Limited, Baroda	1.25	4.14
25.	M/s. Kwality Textiles Associates P. Limited, Pollachi	—	34.39
26.	M/s. Sarabhai M. Chemicals Ltd., Baroda	1.95	5.12
27.	M/s. Tata Engineering and Locomotive Co. Limited, Bombay	—	—

1	2	3	4
28.	M/s. Polyolefins Industries Limited, Bombay	—	25.86
29.	The Century Spg. & Mfg. Co. Limited, Bombay	2.040	179.82
30.	M/s. Birla Eastern Limited, Calcutta	2.32	78.35
31.	M/s. Gajra Gears (P) Limited, Bombay	62.96	—
32.	M/s. Kirloskar Electric Co. Limited, Bangalore	1.492	0.34
33.	M/s. Birla Eastern Limited, Gwalior	7.56	3.77
34.	M/s. Fusegear Electric Limited, Madras	—	—
Thailand			
35.	M/s. Birla Brothers (P) Limited, Bombay	—	65.73
36.	M/s. Sacha Exporters & Investors (P) Limited, Bombay	— [*]	—
37.	The Gwalior Rayon Silk Mfg. (Wvg) Co. Limited, Nagda	—	223.64
38.	M/s. Hada Steel Products Ltd., Faridabad	12.74	1.93
39.	The Gwalior Rayon Silk Mfg. (Wvg) Co. Limited, Nagda.	—	26.55
40.	M/s. Ballarpur Industries Limited, New Delhi	602.16	17.6
41.	M/s. Usha Martin Black Limited, Calcutta	39.00	15.0
42.	M/s. Indian Dye Stuff Industries Limited, Bombay	—	53.23
43.	Shri Ambica Mills Limited, Ahmedabad	—	—
Singapore			
44.	M/s. Teksons Limited, Bombay	0.30	—
45.	M/s. Tata Engg. & Locomotive Co. Limited, Bombay	47.15	—
46.	M/s. Southern Industrial Corpn. Limited, Madras	—	7.16
47.	M/s. Parle (Exports) (P) Limited, Bombay	—	—
48.	M/s. Amritlal Chemaux Limited, Bombay	1.68	0.13

1	2	3	4
49.	M/s. Godrej & Boyce Mfg. Co. (P) Ltd. Bombay	—	1.37
50.	M/s. Hindustan Computers Limited, New Delhi	3.75	3.10
51.	M/s. Easar Bulk Carriers Limited, Bombay	—	19.355
52.	M/s. First Leasing Co. of India Limited, Madras	68.6	0.24
53.	M/s. J. Thomas & Co. (P) Limited, Calcutta	17.11	—
54.	M/s. Durametallic India Limited, Madras	—	5.77
55.	M/s. National Engineering Industries Limited, Calcutta	7.49	—
56.	M/s. Bhupa International, Bombay	2.00	0.51
57.	M/s. Steel Tubes of India Ltd., Dewas	9.12	0.90
58.	M/s. Voltas International Limited, Bombay	4.48	—
59.	M/s. Hope (India) Limited, Calcutta	0.92	—
Philippines			
60.	M/s. Eastern Spinning Mills Ltd., Calcutta	—	11.60
Sri Lanka			
61.	M/s. Jay Engg. Works Limited, Calcutta	0.80	6.75
62.	M/s. Nilambi Investment, Bombay	—	2.48
63.	M/s. Swastic Glass Works, Chandrapur	—	0.708
64.	M/s. Colour Chem Limited, Bombay	—	—
65.	M/s. Ponds (India) Ltd., Madras	—	0.80
66.	M/s. Sita World Travels (I) P. Ltd. New Delhi	0.5674	5.71
67.	M/s. Shanti Vihar Hotels P. Ltd., Madras	—	—
68.	M/s. M.S. Consultants India (P) Limited, Bangalore	—	—
69.	M/s. Ucal Exports (P) Limited, Madras	—	1.80
70.	M/s. Voltas International Ltd., Bombay	5.80	—

1	2	3	4
71.	M/s. Champaklal Investment & Financial Consultancy Limited, Bombay	1.7235	0.20
72.	M/s. Adhesives & Chemicals Pvt. Limited, Madras	—	1.08
73.	M/s. Ashok Leyland Limited, Madras	3.00	—
74.	The Indian Hotels Company Limited, Bombay	4.60	—
75.	M/s. Asia Match Co. P. Limited, Sivakasi	—	—
76.	M/s. Mecklai & Mecklai Financial Consultancy P. Limited, Bombay	0.345	0.90
Nepal			
77.	M/s. Oberoi Hotels (P) Ltd., Calcutta	1.26	28.44
78.	M/s. Union Carbide India Ltd., Calcutta	—	—
79.	M/s. Mohan Meakin Ltd., New Delhi	—	6.583
80.	M/s. Asian Paints (India) Ltd., Bombay	—	—
81.	M/s. Sita World (India) Ltd., New Delhi	2.32	—
82.	M/s. Jenson & Necholson (India) Ltd., Calcutta	0.86	1.25
83.	M/s. Rajasthan Fertilizer and Chemicals Corpn. Ltd., Jaipur	—	—
Australia			
84.	M/s. Oberoi Hotels (India) (P) Ltd., Calcutta	7.20	2.54
Fiji			
85.	M/s. Asian Paints (India) Ltd., Bombay	—	17.12
Tonga			
86.	M/s. Asian Paints (India) Ltd., Bombay	—	1.43
Kenya			
87.	M/s. Raymond Woollen Mills Ltd., Bombay	—	109.87
88.	M/s. Orient Paper Mills Ltd., Calcutta	—	877.48
89.	M/s. Belton India, Faridabad	—	4.72
90.	M/s. LIC & GIC of India, Bombay	58.30	52.38
91.	M/s. Kirloskar Brothers Ltd., Pune	8.88	1.00
92.	M/s. Gangapi Cables Ltd., Hyderabad	0.15	1.193
Nigeria			
93.	M/s. Birla Brothers (P) Ltd., Calcutta	—	159.14

1	2	3	4
94.	M/s. Birla Brothers (P) Ltd., Calcutta	0.78	8.64
95.	M/s. Best & Crompton Engg. Ltd., Madras	—	29.65
96.	M/s. Ranbaxy Laboratories Ltd., New Delhi	—	13.37
97.	M/s. Karam Chand Thapar & Brothers Ltd., New Delhi	23.38	21.63
98.	M/s. Hyderabad Asbestos Cement Products Ltd., Hyderabad	—	80.13
99.	M/s. H.M.T. Limited, Bangalore	—	487.00
100.	M/s. Aluminium Industries Ltd., Kudara	17.5	12.00
101.	M/s. Ballarpur Industries Ltd., New Delhi	—	—
102.	M/s. Telecommunication Consultants India Ltd., New Delhi	5.77	—
103.	M/s. Campa Beverages Pvt. Ltd., New Delhi	—	13.12
104.	M/s. Mecon (India) Ltd., Ranchi	7.60	—
Senegal			
105.	M/s. Indian Farmers Fertiliser Co-operative Ltd., New Delhi	1421.80	—
Mauritius			
106.	M/s. Exports India Ltd., New Delhi	2.826	1.25
107.	M/s. Kirloskar Brothers Ltd., Pune	1.515	—
Uganda			
108.	M/s. Birla Jute Manufacturing Company Ltd., Calcutta	—	—
Egypt			
109.	M/s. Oberoi Hotels Pvt. Ltd., Calcutta	17.44	—
U.S.A.			
110.	M/s. Ghai Lamba Catering Consultancy (P) Limited, New Delhi	0.375	0.945
111.	M/s. Kirloskar Limited, Pune	21.56	—
112.	M/s. Bajaj Auto Limited, Pune	2.686	—
113.	M/s. United Builders (India) P. Limited, New Delhi	—	11.67
114.	M/s. George Maigo Exports Pvt. Limited, Madras	0.883	—
115.	M/s. R.S. Avtar Singh and Co. Limited, New Delhi	—	—
116.	M/s. I.T.C. Limited, Calcutta	—	—

1	2	3	4
U.K.			
117.	M/s. Ghai Lamba Catering Consultants Pvt. Ltd., New Delhi	—	15.52
118.	M/s. Ghai Lamba Catering Consultants Pvt. Ltd., New Delhi	0.32	—
119.	M/s. Karna Hotels Pvt. Ltd., Bangalore	—	2.676
120.	M/s. Clorostat (India) Ltd., Pune	1.458	—
121.	M/s. Kirloskar Bros. Limited, Pune	8.52	1.46
122.	M/s. Deccan Mechanical and Chemical Industries P. Limited, Pune	0.84	15.55
123.	M/s. Orient Longman Limited, New Delhi	—	—
124.	M/s. Champaklal Investments and Financial Consultancy Limited, Bombay	—	0.87
125.	M/s. Oberoi Hotels P. Limited, Calcutta	12.426	1.30
126.	M/s. R.N. Gokuldas, Bombay	—	5.90
127.	M/s. Central India Machinery Mfg. Co. Ltd., Gwalior	—	—
Greece			
128.	M/s. Mahindra & Mahindra. Bombay	2.40	—
Netherland			
129.	M/s. Mughal Mahal Restaurant, New Delhi	—	0.716
Yugoslavia			
130.	M/s. Usha Martin Black Limited, Calcutta	38.00	—
Switzerland			
131.	M/s. Pransukhlal & Co. Pvt. Ltd., Bombay	1.627	0.42
Gibraltar			
132.	M/s. Esxi International (Engineers & Exporters) P. Limited, Madras	0.808	4.7
West Germany			
133.	M/s. Kirloskar Oil Engines Limited, Pune	—	20.32
134.	M/s. Sigma Rubber Pvt. Ltd., Delhi	5.63	—
U.A.E.			
135.	Shri R.M. Gokuldas, Bombay	—	28.54

1	2	3	4
136.	M/s. Phoenix Distributors P. Limited, Bombay	—	14.78
137.	M/s. Gammon India Ltd., Bombay	17.16	—
138.	M/s. Ballarpur Industries Ltd., New Delhi	—	7.04
139.	M/s. S.V. Shah Construction Services P. Limited, Bombay	—	4.68
140.	M/s. Pure Ice Cream Co. P. Ltd., Bombay	2.65	52.18
141.	M/s. Ramanand Sagar, Bombay	—	0.29
142.	M/s. Balmer Lawrie & Co. Ltd., Calcutta	—	81.05
143.	M/s. Azit India Pvt. Limited	—	6.19
Saudi Arabia			
144.	M/s. Deccan Enterprises (P) Limited, Secunderabad	—	55.71
145.	M/s. Oberoi Hotels (P) Ltd., Calcutta	—	44.65
146.	M/s. KMA International Limited, Bombay	12.03	—
Oman			
147.	M/s. Voltas International Ltd., Bombay	4.10	9.84
Bahrain			
148.	M/s. Alcon Constructions, Goa	—	1.64
149.	M/s. Data Systems Pvt. Ltd., Pune	—	19.649
Kuwait			
150.	Vijay Tanks & Vessels Pvt. Ltd.	—	—

(ii) *For Joint Ventures Under Implementation*

S. No.	Name of the Indian Promoter	Out flow of foreign exchange (Approved) (Rs. in lacs)	Inward Remit- tance to India towards Divi- dends, Royalty Tech. Know- how fee etc. (Rs. in lacs)
1	2	3	4

Hong Kong

1.	M/s. Mangalya Trading & Investments India Ltd., Bombay	1.00	—
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1	2	3	4
Malaysia			
2.	M/s. Ranbaxy Laboratories Limited, New Delhi	2.80	—
3.	M/s. Best & Crompton India Limited, Madras	11.63	—
Thailand			
4.	M/s. Golden Tobacco Co. Ltd., Bombay	14.64	—
5.	M/s. Indian Railway Construction Co. Ltd., New Delhi	2.45	—
Singapore			
6.	M/s. Pratap Steel Rolling Mills (Amritsar) Pvt. Ltd.	10.50	—
7.	M/s. Tea Trading Co. of India, Calcutta	6.48	—
Nepal			
8.	M/s. Hyderabad Asbestos	42.91	—
9.	M/s. I.T.C. Limited	50.69	—
Nigeria			
10.	M/s. Best & Crompton Engg. Ltd., Madras	13.10	—
Mauritius			
11.	M/s. Elofic Industries Pvt. Ltd.	2.00	—
Egypt			
12.	M/s. Tea Trading Corpn. of India, Calcutta	29.40	—
Seychelles			
13.	M/s. Karamchand Thapar & Brothers	112.5	—
U.K.			
14.	M/s. Birla Bombay Pvt. Ltd.	0.81	—
15.	M/s. Birla Bombay Pvt. Ltd.	4.08	—
Cyprus			
16.	I.T.D.C.	5.00	—
West Germany			
17.	M/s. Auto Rubber Tools Pvt. Ltd.	16.95	—
Saudi Arabia			
18.	M/s. National Engineering Industries Limited	12.00	—
19.	M/s. Bombay Suburban Electric Supply Co.	17.96	—

1	2	3	4
Oman			
20.	M/s. Western India Erectors Limited	22.05	—
Y.A.R.			
21.	M/s. Vishon Investment Co. Ltd., Bombay	5.40	—
Hungary			
22.	M/s. Chinar Exports (P) Limited, New Delhi	3.62	—

(e) The existing guidelines effective from February, 1986, inter-alia include :

- (i) Overseas Investment is permitted only to companies registered under the Companies Act, 1956. Similarly, proposals involving individuals as foreign collaborators are not encouraged.
- (ii) Financial soundness is an essential eligibility criterion for Indian collaborators.
- (iii) Past experience in the concerned area of responsibility of Indian and foreign collaborators is also a necessary eligibility condition to ensure a high degree of success of such ventures.
- (iv) In the event of participation in the equity of another company or promotion of a wholly owned subsidiary by a joint venture, prior approval of Government shall be obtained.

Export Promotion Scheme of ASOCHAM

2183. SHRI P.M. SAYEED : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have received a scheme for the Associated Chamber of Commerce and Industry in order to double the country's export by 1990 ;

(b) if so, the details of the scheme including the new major items enlisted for export ; and

(c) whether the scheme also envisages change in policy of Government as also

concessions in the tax and if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). The Associated Chambers of Commerce and Industry of India in their background paper for a workshop "Doubling exports by 1990" held on 15th October, 1987 made certain suggestions to promote India's exports. These include *inter-alia* identifying thrust countries/destinations for export ; treating drugs and Pharmaceuticals for special export thrust, adopting a consortia approach for project and consultancy exports ; encouraging counter trade ; providing financial assistance to engineering sector at concessional rates ; some selective liberalisation of FERA ; allowing greater flexibility in the operations of Trading Houses ; introducing export benefits linked to performance of an individual unit.

Introduction of Barter System by MMTC

2184. SHRI P.M. SAYEED : Will the Minister of COMMERCE be pleased to state :

(a) whether the MMTC has experimented on trade applying unconventional barter system with foreign countries ;

(b) if so, the salient features of such deals and whether the experiment has been successful ;

(c) the benefits accrued during the last two years ; and

(d) whether Government propose to suggest other trading public undertakings to follow similar pattern ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (d). M.M.T.C. has been promoting exports linked to imports of capital goods and bulk imports in order to augment foreign exchange earnings, gain access for Indian products and manufactures in new markets and develop new marketing channels. Since this policy has come into operation effectively only recently, it is slightly early to assess the benefits that have accrued.

Government is encouraging other Public Sector Undertakings, too, for promoting exports linked to imports.

Seizure of Contraband Articles

2185. SHRI PARASRAM BHARDWAJ : Will the Minister of FINANCE be pleased to state :

(a) whether seizure of contraband articles like gold biscuits, watches, foreign

currency and Indian currency etc. has been on the increase ;

(b) if so, the details of such seizure during the last two years and current year ;

(c) the details of the items sold to public during the said period and the value realised ;

(d) the details of such articles still lying with customs and the value thereof ; and

(e) the reasons for not selling these articles to public particularly for sale in the Super Bazar ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). The details of the contraband goods seized during the years 1985, 1986 and 1987 (upto September) are given below :

(Value : Rs. in lakhs)

Year	Gold	Watches	Indian currency	Foreign currency	Others	Total seizure of commodities (All India)
1985	5189	879	281	481	12733	19563
1986	4666	1013	567	386	15120	21752
1987 (upto September)	4485	983	266	299	12079	18112

(c) The details of confiscated goods ripe for disposal disposed of through various modes of disposal during the years 1985, 1986 and 1987 (upto September) are given below :

(Value : Rs. in lakhs)

Commodity	1985	1986	1987 (upto September)
Diamonds and precious stones	4	13	48
Watches	945	1291	1254
Electronic goods	795	1194	996
Synthetic textiles	989	1539	844
Others	2823	2074	3158

(Gold, silver and currency confiscated and ripe for disposal are not mentioned as these are not sold to the public).

(d) and (e). The details of the stock of confiscated goods ripe for disposal as on 30th September, 1987, are given below :

(Value : Rs. in lakhs)

Name of the Commodity	Value
Diamonds and precious stones	163
Watches	359
Electronic goods	459
Synthetic textiles	343
Others	698

Since the receipt and disposal of confiscated goods is a continuous process a certain quantity is bound to be in stock at all times. The following are the prescribed modes of disposal of the above mentioned goods to the public :

- (i) Trade goods are sold by auction/tender ;
- (ii) Consumer goods are sold to the public through registered Cooperative Societies/Federations of Co-operative Societies including National Consumers Cooperative Federation (which in turn disposes of them through different outlets which include Super Bazars)/Military/Para-Military/Police Canteens, etc.

- (iii) Heterogeneous and miscellaneous consumer goods seized in small lots from passengers, post parcels, etc. are sold to the public in retail through Customs retail shops.

(Gold, silver and currency are not mentioned above as the prescribed mode of disposal of these goods does not involve their sale to the public).

(Figures for 1987 are provisional).

Fertilizer Export

2186. SHRI SODE RAMAIAH : Will the Minister of COMMERCE be pleased to state :

(a) the details of the total exports of fertilizers with unit-cost in rupee terms during the last three years ; and

(b) the names of the countries to which exported ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). Export of fertilizers, all types, including superphosphate, is not allowed. Government have decided to supply to Nepal 20,000 MT of Urea and 10,000 MT of Di-Ammonium Phosphate (DAP) on a request made by that Government on replacement basis. Small quantities of fertilizers have, however, been exported to Kenya, Burma, Iran, Japan, UAE, Tanzania, Nigeria, Mauritius, Nepal, Bangladesh and Netherlands, details of which are given below :

Year	Details of fertilizers exported	
	Qty. (Tons)	Value (Rs.)
1983-84	1258	5135886
1984-85	12	98096
1985-86	152	1213432

(Export figures for the year 1986-87 have not yet been compiled).

[Translation]

Branches of State Bank of Bikaner and Jaipur

2187. SHRI VIRDHI CHANDER JAIN : Will the Minister of FINANCE be pleased to state :

(a) whether most of the branch offices of State Bank of Bikaner and Jaipur are housed in rented buildings in various places of Rajasthan with inadequate facilities and causing inconvenience to employees and customers of the bank ; and

(b) if so, whether steps are being taken to provide suitable buildings for the purpose, particularly for main branch Barmer of the State Bank of Bikaner and Jaipur, Jaipur ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). No, Sir. However, the Bank has reported that in a few cases where the premises were taken on rent long back and the buildings have become inadequate due to increase in the volume of business, action is invariably taken to carry out additions/renovations or change of premises etc. so as to ensure that no inconvenience is caused to public/customers.

Proposal for construction of alternate premises for Barmer Branch has been finalised by the Bank. Permission of Nagar Parishad Barmer is awaited.

[English]

Proposal to Set Up a Bank for Farmers in Karnataka

2188. SHRIMATI BASAVARAJESWARI : Will the Minister of FINANCE be pleased to state :

(a) whether Karnataka Government propose to set up a bank on the lines of the apex bank to provide short-term loans to farmers ;

(b) if so, whether Union Government have agreed to the proposal ;

(c) if so, the time by which the bank is likely to be set up ; and

(d) the extent to which it will be helpful to farmers ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Reserve Bank of India has reported that no formal proposal or reference from the State Government of Karnataka has been so far received regarding setting up of a new bank on the lines of the apex bank to provide loans to farmers.

(b) to (d). Do not arise.

Liberalisation of Currency Swaps and Interest Rate in International Market

2189. SHRIMATI BASAVARAJESWARI : Will the Minister of FINANCE be

pleased to state :

(a) whether Government have decided to liberalise its policy in regard to currency swap and interest rate covers in the international market by Indian companies ;

(b) if so, the main points of liberalisation ; and

(c) to what extent this will provide protection in the face of variations in the international market ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (c). Government considers proposals from industrial borrowers to enter into currency or interest rate swap arrangements in respect of foreign currency loans. With the increase in interest and exchange rate volatility, it has become increasingly necessary to resort to such arrangements to minimise the impact of adverse interest and exchange rate movements.

Steps to Improve Business in Share Markets

2190. SHRIMATI BASAVARAJESWARI :

SHRI BRAJA MOHAN MOHANTY :

SHRI SHANTARAM NAIK :

Will the Minister of FINANCE be pleased to state :

(a) whether Union Government are considering the proposal for relaxation of trading curbs in a bid to improve the volume of business in share markets ;

(b) if so, what are the proposals being considered ; and

(c) to what extent, they have helped in improving stock exchange ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (c). The recommendations of the informal working group headed by Dr. Dave which studied the working of share markets are under implementation by the various stock exchanges. It is too early

to assess the impact of the recommendations.

Amount Allocated to Improve Silk Reeling Facility in Karnataka

2191. SHRIMATI BASAVARAJESWARI : Will the Minister of TEXTILES be pleased to state :

(a) whether Central Silk Board and some of the leading sericulture States have decided to spend over 100 crores of rupees to improve the performance of outmoded factories which affect the quality of Indian raw silk ;

(b) if so, the total silk factories, which will be modernised ; and

(b) the total amount allocated to improve silk reeling facility in Karnataka ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) No, Sir.

(b) Does not arise.

(c) Central Silk Board's Central Silk Technological Research Institute extends R & D support for improving reeling facilities in the different States keeping in view their requirements and proposals received from them from time to time. No separate state-wise financial allocations are made for this purpose.

Detection of Income-tax Evasion

2192. SHRI SOMNATH RATH : Will the Minister of FINANCE be pleased to state :

(a) how many cases of income-tax evasion have been detected during 1986-87 and 1987-88 so far ;

(b) the amount collected including penalty ; and

(c) the number of prosecutions launched and the results thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN

THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). During 1986-87 and 1987-88 (upto 31-10-87), Income-tax Department conducted 7,054 and 5,867 searches which resulted in seizure of, prima facie, unaccounted assets worth Rs. 100.70 crores and Rs. 66.35 crores respectively. The exact amount of tax and penalty to be charged will be known when the assessments are completed and finalised.

(c) Prosecutions are launched for various offences under the Income-tax Act from time to time. During 1986-87 and 1987-88 (upto 31-10-87) the number of prosecutions launched were 5,258 and 311 respectively and the number of convictions obtained were 66 and 99 respectively.

[Translation]

Loans to Educated Unemployed Persons by Mathura Branch of State Bank of Indore

2193. SHRI RAJ KUMAR RAI : Will the Minister of FINANCE be pleased to state :

(a) the number of educated unemployed and low income group people who have been given loans for self-employment during 1985-86, 1986-87 and 1987-88 by the Mathura branch of the State Bank of Indore ;

(b) the time taken by the bank in sanctioning loan after receiving applications in this regard ; and

(c) whether some irregularities have been committed by the officers in disbursement of these loans ; if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). According to the information available from State Bank of Indore the data relating to the number of educated unemployed and low income group people who have been given loans, amount of loan given and the time taken by the bank in sanctioning loans after receiving applications during the years 1985-86, 1986-87 and 1987-88 are given in the following Table :

Year	Self Employment Scheme for Educated Unemployed Youth (SEEUY)			Low Income Group		
	No. of persons to whom loans sanctioned	Amount of loan sanctioned (Rs. in lakhs)	Time taken in sanctioning of loans (No. of days)	No. of persons to whom loans sanctioned	Amount of loan sanctioned (Rs. in lakhs)	Time taken in sanctioning of loans (No. of days)
1985-86	7	1.21	4 to 32	12	0.70	8 to 26
1986-87	7	1.85	3 to 73	10	0.37	55 to 97
1987-88	—	—	—	4	0.40	79 to 148

(c) State Bank of Indore has reported that no irregularities have been committed by the officers in disbursement of loans.

[English]

Loan to Promote Sericulture

2194. SHRI AMAL DATTA : Will the Minister of TEXTILES be pleased to state :

(a) whether any steps have been taken to improve the quality of silk through imports and supply of silk worms, particularly from Japan ;

(b) if so, the details thereof ;

(c) whether any loan has been obtained from any International Organisation to promote sericulture ; and

(d) if so, the details of the amount, terms and conditions and utilisation of loan ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) and (b). In order to improve the quality of Indian Silk, the Central Silk Board's R and D Institutes maintain a Germplasm Bank with uni and bivoltine exotic silkworm races from different countries including Japan. Using Japan's exotic races, new bivoltine strains such as NB 7, NB 18, NB 4 D 2 etc. have been evolved to improve the quality of silk in India under tropical conditions.

(c) and (d). The International Development Association (IDA) had extended a credit of \$ 54 million for the Karnataka

Sericulture Project and the Credit Agreement was signed on 27-10-88. The extended closing date of the credit is 31-12-87. The IDA credit carries a service charge of $\frac{3}{4}\%$ per annum on the principal amount of the credit withdrawn and outstanding from time to time. The maturity period is 50 years with a grace period of 10 years. The utilisation of the credit as on 30-9-87 is \$ 44.8 million.

Sericulture Development in W.B.

2195. SHRI AMAL DATTA : Will the Minister of TEXTILES be pleased to state :

(a) the efforts made so far for development of sericulture and silk weaving in West Bengal by Union Government ; and

(b) the total production of silk of different varieties in the country during last three years, State-wise break-up ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) In order to supplement the efforts of the State Government of West Bengal for development of Sericulture, the Central Silk Board (CSB) has set up the following units in the State :

(i) Central Sericultural Research and Training Institute with 10 Research Extension Centres.

(ii) 5 Regional Sericulture Research Stations.

(iii) 1 Cold Storage.

- (iv) 1 Common facilities centre for reeling.
- (v) 3 Silkworm Seed Production Centres.
- (vi) 1 Basic Seed Multiplication and Training Centre.
- (vii) 1 Certification Centre.
- (viii) 1 Regional Development Office.

Besides these, the CSB is implementing an Intensive Sericulture Development Project in the State involving an outlay of Rs. 9.66 crores. The Project initiated during 1985-86 envisages bringing an additional area of 4000 acres under high yielding mulberry plantation by 1989-90 and introduction of improved methods of silkworm rearing, besides providing infrastructure required for sericulture development.

For the development of silk weaving, the Government of India, in collaboration with State Governments, including West Bengal, is implementing a number of schemes. These schemes are designed to provide the necessary support in the areas of input-supply, design development, marketing, credit etc., through the State Apex Handloom Weavers' Co-operative Societies and Handloom Development Corporations.

(b) Variety-wise and State-wise Production of Raw Silk During 1984-85, 1985-86 and 1986-87 is as under :

(See columns 201—204).

Remunerative Price of Silk

2196. SHRI AMAL DATTA : Will the Minister of TEXTILES be pleased to state :

(a) whether Government are aware of the problems of the silk growers in getting remunerative price ;

(b) the average income of silk growers of two major silk producing States ;

(c) whether there is any scheme to increase the income of the silk growers ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE OF THE

MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) In the 2 major silk producing States the estimated average income per acre per annum under irrigated conditions is about Rs. 8000/- and under rainfed conditions is about Rs. 3000/-.

(c) and (d). The Central Silk Board implements the following schemes to ensure a fair price and also better returns through increased yields to sericulturists :

- (1) Establishment of Raw Material Bank for procurement of Mulberry, Tasar and Muga Cocoons.
- (2) Establishment of Chawkie Rearing Centres for supply of chawkie silkworm to the sericulturists for good cocoon crop harvest and better yields.
- (3) Conduct of training programmes to educate farmers in improved methods of silkworm rearing and package of practices for better crops.
- (4) Providing assistance to States for implementing Uzifly Control Programme.
- (5) Subsidised supply of quality disease-free silkworm seed through National Silkworm Seed Project.
- (6) Subsidised supply of high-yielding varieties of mulberry cuttings for improved leaf yields.

In addition the Board gives necessary technical and extension support to better the yields obtained by sericulturists.

Export Potential of Maharashtra

2197. SHRI BALASAHEB VIKHE PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether the export potential of Maharashtra State has ever been assessed in depth ; and

(b) if so, the outcome thereof ?

THE MINISTER OF STATE IN THE

(Tonnes)

State	1984-85						1985-86						1986-87					
	Mul.	Tasar	Eri	Muga	Total	Mul.	Tasar	Eri	Muga	Total	Mul.	Tasar	Eri	Muga	Total	Mul.	Tasar	Eri
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
Andhra Pradesh	1250	4	—	—	1254	1028*	3	—	—	1031	1460	3	—	—	1463			
Assam	16	—	187	55	258	15	—	221	52	288	11	—	231*	55	297			
Arunachal Pradesh	Neg	—	6	—	6	Neg	—	6	—	6	Neg	—	6	—	6			
Bihar	8	290	7	—	305	9	331	8	—	348	9	332	8	—	349			
Himachal Pradesh	4	—	—	—	4	4	—	—	—	4	4	—	—	—	4			
Jammu and Kashmir	53	—	—	—	53	34	—	—	—	34	46	—	—	—	46			
Karnataka	4059	—	—	—	4059	4300	—	—	—	4300	4671	—	—	—	4671			
Madhya Pradesh	2	41	—	—	43	1	35	—	—	36	1	35	—	—	36			
Maharashtra	Neg	2	—	—	2	Neg	2	—	—	2	Neg	2	—	—	2			
Manipur	10	21	14	—	45	23	17	23	—	63	23	17	24*	—	64			
Meghalaya ⁺	Neg	—	45	—	45	Neg	—	69	Neg	69	Neg	—	75*	—	75			
Nagaland	Neg	Neg	7	—	7	3	Neg	9	—	12	3	—	9*	—	12			
Orissa	2	72	5	—	79	2	63	8	—	73	2	63	8	—	73			
Punjab	4	—	—	—	4	4	—	—	—	4	3	—	—	—	3			
Tamil Nadu	750	—	—	—	750	833	—	—	—	833	850	—	—	—	850			

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Tripura	Neg	—	—	—	Neg	Neg	—	—	—	Neg	Neg	—	—	—	Neg
Uttar Pradesh	20	2	—	—	22	23	1	—	—	24	27	1	—	—	28
West Bengal	717	12	8	—	737	750	12	8	—	770	788	12	8	—	808
Mizoram	—	—	—	—	—	—	—	—	—	—	Neg	—	—	—	Neg
Total	6895	444	279	55	7673	7029	464	352	52	7897	7898	465	369	55	8787

*Estimated

MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) and (b). Yes, Sir. The Indian Institute of Foreign Trade, New Delhi conducted an export potential survey of Maharashtra State in 1969 and subsequently made in depth study of export prospects of selected products viz. (i) Handicrafts, (ii) Readymade garments, (iii) Hosiery and (iv) Spectacle frames, Fountain pens etc. in 1978-79. The first survey identified about 100 items which were having export potential. These items covered various commodity groups like (i) textile fabrics and manufactures (ii) engineering products (iii) agriculture and allied products (iv) basic chemicals, drugs and other chemicals and (v) gems and jewellery.

Duty Free Input Import List

2198. SHRIMATI GEETA MUKHERJEE: Will the Minister of COMMERCE be pleased to state :

(a) whether Government propose to expand the duty free input import list for production of intermediaries for direct export or for manufacturing finished goods for exports ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) and (b). Some suggestions have been received on the Intermediate Scheme of advance licensing. These are under consideration of the Government in the context of formulations of the New Import Export Policy to take effect from 1-4-88. No details can be disclosed at this stage.

Fertiliser Import Offer by EEC

2199. SHRIMATI GEETA MUKHERJEE: Will the Minister of FINANCE be pleased to state :

(a) whether the European Economic Community (EEC) has offered an outright grant for importing fertiliser from the member countries ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) Yes, Sir.

(b) The year-wise aid commitment for

import of fertiliser are given below :

Year	(Amount in ECU Million)
1979	25.0
1980	28.0
1981	36.0
1982	45.0
1983	33.0
1984	45.0
1985	45.0
1986	45.0
Total	302.0

Raids on Residence of Individuals and Company Offices

2200. SHRI RAM BAHADUR SINGH: Will the Minister of FINANCE be pleased to state :

(a) the number of raids carried out by the Income-tax authorities on residences of individuals and company offices during April to September, 1987, Statewise ; and

(b) the major findings during these raids ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) and (b). The information is being collected and will be laid on the Table of the House.

Assessment of MODVAT

2201. SHRI RAM BAHADUR SINGH: Will the Minister of FINANCE be pleased to state :

(a) whether Government have assessed the working of MODVAT introduced last year ;

(b) if so, the results of the assessment ; and

(c) whether in view of the complex tax character and proposed fiscal reforms, Government propose to empower State Government to introduce Value Added Tax (VAT) in their States ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). Yes, Sir. The MODVAT Scheme has been in operation since March, 1986 and the Scheme has been welcomed by the trade and industry as well. For any such major Scheme initial difficulties were bound to arise most of which have been resolved. With the gaining of experience of its working, any new problems arising are progressively being taken care of.

(c) No such proposal is presently under consideration.

[Translation]

Direct Tax Court

2202. SHRI SARFARAZ AHMAD :

SHRI VILAS MUTTEMWAR :

Will the Minister of FINANCE be pleased to state :

(a) whether Government have given up the idea of setting up of Direct Tax Court, and if so, the reasons therefor ; and

(b) if not, the time by which these courts will be set up ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) No, Sir.

(b) The National Court of Direct Taxes is to be set up by an Act of Parliament and requires amendment of the Income-tax Act. No definite time frame can be given.

[English]

Illegal Flight of Capital by Hawala Payments

2203. SHRI D.N. REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether nearly Rs. 1000 crores is

being siphoned out of India by way of 'Hawala' payments ;

(b) if so, the measures being taken by Government to prevent this illegal flight of capital out of the country ; and

(c) the number of persons who have been arrested in this connection ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (c). It is difficult to give an exact estimate of Hawala transactions. However, an operation in Bombay by Central Economic Intelligence Bureau and Enforcement Directorate, 20 premises were searched on 27th June, 1987. As a result, several incriminating documents evidencing Hawala Payments in violation of FERA amounting to about Rs. 30 crores were seized covering a period of 7 months only. In this connection, 6 persons were arrested. The enforcement agencies remain vigilant to detect cases of Hawala payments.

Customs and Excise Tribunals

2204. SHRI KRISHNA SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to set up Customs and Excise Tribunals under Articles 323-B of the Constitution to hear appeals on the decisions of the Collectorates ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). Government propose to establish the Customs and Excise Revenues Appellate Tribunal under Article 323-B of the Constitution. The necessary legislation, namely, the Customs and Excise Revenues Appellate Tribunal Act, 1986 (No. 62 of 1986) has already been enacted for this purpose. The Tribunal would hear and decide certain categories of appeals on disputes with respect to the determination of rates and duties of Customs and Central Excise and to the valuation of goods for the purposes of assessment of such duties. The details regarding the jurisdiction and

other matters relating to the proposed Tribunal are contained in the said Act.

Pending Central Excise Cases in Supreme Court/High Courts

2205. SHRI KRISHNA SINGH : Will the Minister of FINANCE be pleased to state :

(a) the estimated amount involved in pending Central excise cases in Supreme Court and High Courts ;

(b) whether as a part of its drive to recover Central excise arrears, his Ministry has authorised the Principal Collectors of Customs and Central Excise to engage senior counsels on special fees in important court cases for speedy disposal ; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) From the information available, the estimated amount involved in Central excise cases pending in the Supreme Court and High Courts is Rs. 2080 crores.

(b) and (c). The Principal Collectors of Customs and Central Excise at Bombay and Calcutta have been authorised to engage special counsels on high fees in important cases before the High Courts at Bombay and Calcutta under intimation to the concerned Branch Secretariat of the Law Ministry.

Tax on Foreign Travel

2206. SHRI H.M. PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether Government have stayed the proposal of 15 per cent tax on foreign travel ; and

(b) if so, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) No, Sir.

(b) Does not arise.

Credit Management of Public Sector Banks taken by State Bank of India

2207. SHRI SATYENDRA NARAYAN SINHA : Will the Minister of

FINANCE be pleased to state :

(a) whether any of the public sector banks have had their credit management taken by the State Bank of India ;

(b) if so, the reasons thereof ;

(c) whether the solvency of any of these banks has been affected by indiscriminate lending ; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir.

(b) to (d). Do not arise.

Projects Export

2208. SHRI SATYENDRA NARAYAN SINHA : Will the Minister of COMMERCE be pleased to state :

(a) whether project exports have been on the decline ;

(b) if so, whether this is linked to oil price or sharper competition ;

(c) whether Indian project exporters are unable to stick to delivery rates or prevent price escalation ; and

(d) whether any steps have been taken to improve these exports ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a and (b). No, Sir. The total value of projects secured in 1986 was Rs. 525 crores as compared to 265 crores in 1985.

(c) Project execution overseas is prone to risk due to various factors. In order to offset impact of price escalation, contingencies for price escalation or suitable price variation clauses are generally provided in the contracts.

(d) With a view to boost exports of projects and consultancy services, the Government has inter alia, taken the following measures :

(i) Grant of project assistance to the tune of 10% of net foreign exchange earnings from the service portion of the contracts.

(ii) Market Development Assistance for reimbursement of 50% of cost of preparation and submission of bids.

(iii) Market Development Assistance for opening and operating overseas offices by consultancy firms.

Procurement and Distribution of Handloom Textiles

2209. SHRI V. KRISHNA RAO : Will the Minister of TEXTILES be pleased to state :

(a) the details of the existing procedure of procurement and distribution of handloom textiles in the country ;

(b) whether Government are aware of the malpractices that exist in the procurement and distribution of handloom textiles in the country, and

(c) if so, the steps taken to eliminate middlemen ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) State Handloom Apex Cooperative Societies and State Handloom Development Corporation are engaged in production and marketing of handloom textiles in the country, besides private traders. The State Handloom Apex Cooperative Societies procure their products from the member Primary Cooperative Societies, while the State Handloom Development Corporations make their procurements from their own production units as well as weavers who are outside the cooperative fold. The marketing is carried out by the State Handloom Apex Cooperative Societies and the Primary Societies besides the State Handloom Development Corporation through their respective distribution channels. At the national level, the All India Handloom Fabrics Marketing Cooperative Society and National Federation of Industrial Cooperatives market the handloom textiles after procuring them from cooperative societies and the Rehabilitation Industries Corporation, who have their own production Units.

(b) No, Sir. No specific complaints with reference to the arrangements outlined in part (a) of the question, have been

brought to the notice of the Central Government.

(c) Does not arise.

Direct Commercial Relations between Private and Public Sector Indian and USSR Companies

2210. SHRI H.N. NANJE GOWDA :

DR. B.L. SHAILESH :

Will the Minister of COMMERCE be pleased to state :

(a) whether Indian and the Soviet Union have agreed to establish direct commercial relations between companies in the private and public sectors ;

(b) if so, whether more effective participation of bank in economic cooperation was also agreed : if so, the broad outlines thereof ; and

(c) the likely commodities to be imported from the USSR and those to be exported to that country ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). As a result of recent changes in the laws of the Soviet Union, a number of Soviet organisations and Ministries are now permitted to deal directly in foreign economic cooperation without going through the Soviet Ministry of Foreign Trade Organisations thereunder. Setting up of joint ventures by Soviet companies with foreign companies either in the territory of the USSR or outside is also now being permitted. In view of these developments, the Indian and Soviet Governments have agreed to encourage development of direct commercial relations between the various Indian and Soviet companies. Possibilities of arranging Credit facilities from the Soviet banking institutions to Indian financial institutions for financing supply of Soviet plant and machinery for Indian enterprises in the private and public sectors are also being explored. Further, new forms of cooperation like cooperation in the services sector, joint ventures, etc., are also being encouraged.

As regards items to be imported from the USSR into India and to be exported

from India to the USSR, the present range covers already number of commodities and manufactures as well as machinery items. The Soviet exports to India mainly consist of crude oil and petroleum products, industrial raw materials such as non-ferrous metals, newsprint, etc., other raw materials like sulphur and a wide range of machinery items. The Indian exports to the USSR mainly consist of agricultural products, mineral and ores, leather and leather goods, textiles, chemicals and allied products and engineering goods. Efforts are however being made to enlarge the basket of goods exchanged not only by increasing the quantities in respect of the existing items but also by adding new items.

US Restrictions on Some Imports

2211. SHRI H.N. NANJE GOWDA : Will the Minister of COMMERCE be pleased to state :

(a) whether Government attention has been drawn to the House of representatives of U.S. setting strict limits on imports of textiles, clothing and shoes etc ; and

(b) if so, whether this will have adverse impact on India's exports to the United States ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Yes, Sir.

(b) The proposed legislation would have adverse effect on India's exports to USA only if the Bill is enacted in its present form. Although it has been passed by the House of Representatives, it still has to undergo various stages in the legislative process before it finally becomes law.

Subscription to Public Sector Bond

2212. SHRI H.N. NANJE GOWDA : Will the Minister of FINANCE be pleased to state :

(a) whether Union Government are considering permitting private sector financing agency and foreign banks to facilitate subscription to public sector bond ;

(b) if so, whether the official sale of public bonds has been restricted to nationalised commercial banks ; and

(c) if so, the main reasons for changing this decision and to what extent it has helped

Government ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) There is no prohibition for any private sector financing agency and foreign banks facilitating subscription to public sector bonds.

(b) No, Sir.

(c) Does not arise.

Incentives to 100 Per Cent EOUs

2213. SHRI H.N. NANJE GOWDA : Will the Minister of COMMERCE be pleased to state :

(a) whether a number of new incentives have been provided to help the 100 per cent Export Oriented Units ; and

(b) if so, the details thereof and how far such incentives are likely to improve the position of these units ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). Yes, Sir. Recently the following measures have been announced by the Government :

(i) 100% Export Oriented Units may with the prior permission of Government, on a case by case basis, sell upto 25% of the production in the Domestic Tariff Area, such sale being subject to the payment of appropriate duties.

(ii) Extension of tax holiday for any continuous block of 5 years within 8 years of the commencement of production ;

(iii) Permitting 100% Export Oriented Units to sub-contract a part of their production for job work to units in the domestic tariff area on a case by case basis ;

(iv) Bonding charges for individual units having bonding arrangements are to be reduced from the level of 150% to 100% of the cost of customs staff ;

(v) Exemption of 100% Export Oriented Units from the operation of Export Control Order on a case by

case basis.

The above measures have been taken by the Government with a view to improving the operational viability of 100% Export Oriented Units.

Fake Currency Note Racket

2214. SHRI AMARSINH RA-THAWA : Will the Minister of FINANCE be pleased to state :

(a) whether any fake currency note

printing racket has been busted during the last three years ;

(b) if so, the names of the city where it was established ; and

(c) the number of persons arrested and the details of material and fake notes seized ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). A Statement is given below.

Statement

As per information received from Central Bureau of Investigation, the details about the fake currency note printing racket detected during 1985, 1986 and 1987 (upto 30-9-1987) are as follows :

Year	Places	No. of persons arrested	Material and fake notes seized
1	2	3	4
1985	South Kanara (Karnataka)	1	31 blocks for printing of notes of Rs. 100/- denomination.
	Madurai (Tamil Nadu)	3	(1) Printing machine (Hard Press machine and proofing machine) ; (2) 18 blocks of different designs of Rs. 100/- and Rs. 50/- denomination ; and (3) 62 fake notes of Rs. 100/- denomination.
	Imphal (Manipur)	5	(1) One machine ; (2) 2 blocks for printing of Rs. 100/- denomination ; and (3) 342 pieces of Rs. 100/- denomination.
	Karim Nagar (Andhra Pradesh)	9	(1) 13 blocks for printing of Rs. 100/- denomination ; (2) Hard Press machine ; (3) 336 white coloured foolscap papers used for printing ; (4) One body camera with slight plates and lense ;

1	2	3	4
			(5) One magnifying glass ;
			(6) One paper cutting machine ;
			(7) 2 rollers with its bracket frames ;
			(8) One glass with smooth surface and other equipments of machinery used for printing ; and
			(9) 284 pieces of Rs. 100/- denomination.
	Vakathanam (Kerala)	2	Blocks for printing of Rs. 50/- denomination.
1986	Anand Prabat (Delhi)	5	(1) Presses ; stamps ;
-			(2) 16656 pieces of Rs. 100/- denomination ; and
			(3) Film and plates of forged notes of Rs. 50/- denomination.
	Maskam, KGF (Karnataka)	4	(1) Offset printing machine ; and
			(2) 640 sheets of partly printed notes of Rs. 100/- denomination.
1987	Martanda (Upto (Tamil Nadu) 30-9-87)	4	(1) Materials and equipments for printing forged notes of Rs. 2/- denomination ; and
			(2) 1700 pieces of paper each containing 8/K ₁ unfinished two rupee prints.

Financial Crisis in Gujarat

2215. SHRI AMARSINH RATHAWA : Will the Minister of FINANCE be pleased to state :

(a) whether Government of Gujarat is facing financial crisis due to unprecedented drought in many districts of the State ; and

(b) the measures Union Government are taking to help the State Government to face this challenge and to overcome the financial difficulties ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K.

GADHVI) : (a) and (b). The Government of Gujarat has been writing to the Centre stating that continuous drought in the State has placed a strain on its financial resources during the current year. The State Government has sent memoranda seeking Central assistance for drought relief and Central Teams have visited the State to assess the drought situation and to recommend necessary Central assistance. Based on the reports of the Central Teams and recommendations of the High Level Committee on Relief, total ceilings of Rs. 131.19 crores have been sanctioned to the State Government (Statement given below) and 2 lakh tonnes of wheat have been released for distribution to weaker on relief works. The Government

of India has so far released Rs. 14.41 crores as Centre's share of margin money to is ways and means advance and Rs. 14.38 crores as Centre's share of margin money to the State during the current year.

Statement

Sl. No.	Ceilings approved (Rs. in crores)	Valid upto
1.	37.29	31-7-1987
2.	50.37	30-9-1987
3.	43.47	31-3-1988
4.	0.06	31-7-1988
Total :		131.19

Appointment to Class IV Posts in Nationalised Banks

2216. SHRI V.S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) whether there is no prescribed policy in regard to appointment to class IV posts in nationalised banks ;

(b) whether the nationalised banks appoint people of their own choice on temporary basis and later confirm them ; and

(c) the steps proposed to be taken to have a uniform recruitment policy for class IV posts in nationalised banks ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Appointments in the subordinate staff cadre are made directly by the nationalised banks from amongst candidates sponsored by Local Employment Exchanges or Zila Sainik Boards. However, temporary hands are appointed to meet the administrative exigencies and the ex-temporary employees are also considered for permanent jobs subject to their being eligible under the Banks Rules and other Industrial Laws as and when such vacancies arise. No change in the existing recruitment policy of sub-staff cadre is under consideration of the Government.

States Share in Collection of Small Savings

2217. SHRI V.S. KRISHNA IYER : Will the Minister of FINANCE be pleased

to state :

(a) whether the Centre has been advancing 75 per cent of the State's net collection of Small Savings ;

(b) if so, whether any State has requested for the 75 per cent of the gross collection ;

(c) names of the States which sought 75 per cent advance on gross collection of Small Savings ; and

(d) will the Government consider advancing 75 per cent of the State's gross collection instead of net collection ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) to (d). Loans against small savings collections can be given only from net receipts. The proposal of State Government for share in gross collection is, therefore, not acceptable.

[Translation]

Sick Industrial Units

2218. DR. CHINTA MOHAN :

SHRI BALWANT SINGH RAMOOWALIA :

Will the Minister of FINANCE be pleased to state :

(a) whether the number of sick industrial units is increasing in the Country ;

(b) if so, the number of these sick units

in the beginning of this year ;

(c) the steps being taken by Government to check the increasing number of such units ; and

(d) the amount of loan given by the nationalised banks to these industrial units ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). The Reserve Bank of India (RBI) has reported that the total number of sick industrial units at the end of December, 1984, 1985 and 1986 (provisional) were 93282, 119606 and 147740 respectively and the outstanding bank credit as at the end of December, 1986 was Rs. 4874.49 crores. Guidelines have been issued by RBI to banks from time to time impressing upon them, inter-alia, for identification of sickness at incipient stage itself, watching for warning signals and symptoms of sickness, timely reporting by branches to controlling authorities and initiating timely corrective action. Banks have also been advised to evolve rehabilitation packages for potentially viable sick industrial units. Where term lending institutions are involved, rehabilitation packages are prepared by them in consultation with banks and other agencies concerned. Under the Sick Industrial Companies (Special Provisions) Act, 1985, Board for Industrial and Financial Reconstruction may suggest, inter alia preventive, ameliorative and remedial measures which are required to be taken in respect of sick industrial companies coming within its jurisdiction.

[English]

**Proposals for Setting Up Industrial Units
by Exservicemen**

2219. PROF. NARAIN CHAND

PARASHAR : Will the Minister of DEFENCE be pleased to state :

(a) the total number of proposals for setting up industrial units by Ex-Servicemen for which the Government have given financial support during each one of the past three years including current financial year along-with the amount of assistance during each year ;

(b) the names of the specific proposals in the States of Himachal Pradesh, Punjab, Haryana, Jammu and Kashmir and the Union Territories of Chandigarh and Delhi in which such assistance have been given ;

(c) whether there is any centralised agency which can be approached by the Ex-Servicemen for financial support for this purpose ; and

(d) if so the names of agency as also a brief report of work done by this agency during the past three years or since its inception which ever is earlier ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a) and (b). Central Government does not give any direct financial support for setting up industrial units by Ex-servicemen. Such financial support to ex-servicemen is provided by the financing institutions like Commercial Banks State Financial Corporations, etc., Central Government has been providing 10% price subsidy, subject to a limit of Rs. 50,000 in a year, for a duration of 5 years on the value of any item manufactured by ex-servicemen entrepreneurs and purchased by the Ministry of Defence/ Inter-Service Organisations.

The assistance provided during the last 3 years is as follows :

Year	No. of Units	Total assistance given (Rs.)
1984-85	4	1,44,381.89
1985-86	8	2,48,003.90
1986-87	9	3,41,507.40
1987-88 (upto now)	5	2,05,116.85

The specific proposals in the State of Haryana, and the Union Territory of Delhi for which the above assistance has been given are as follows :

- | | |
|-----------------------------------|----------------|
| 1. M/s. Sainik Tyres Ltd., Jind | (upto 1984-85) |
| 2. East West Engineers, New Delhi | (from 1985-86) |
| 3. PKS & Co., Delhi | (from 1984-85) |
| 4. Geetanjali Udyog, Delhi | (from 1985-86) |
| 5. Hasanand Ram Das, Delhi | (from 1985-86) |

There are no cases in the States of Himachal Pradesh, Punjab, Jammu and Kashmir and Union Territory of Chandigarh.

(c) and (d). For the purpose of the above price subsidy assistance, the centralised agency to be approached is the Directorate General of Resettlement under the Ministry of Defence. The work done by the Directorate General of Resettlement every year is given in the Annual Report of the Ministry of Defence placed before Parliament every year.

In so far as the new scheme of Self-Employment for Ex-servicemen (SEMEX) launched from 1-4-1987 is concerned, it is operated in a decentralised manner through the State Financial Corporations. Ex-servicemen can apply for loan assistance for self-employment ventures through the Zila Sainik Boards. Under the scheme 75% of the project cost is given as a loan by the State Financial Corporation with refinance by IDBI and upto 15% of the project cost can be given as a seed capital loan on soft terms out of a corpus fund created jointly by the Directorate General of Resettlement and the IDBI.

Bank Robberies

2220. PROF. NARAIN CHAND

PARASHAR : Will the Minister of FINANCE be pleased to state :

(a) the number of bank robberies/dacoities in the public sector banks in Union Territory of Delhi, other metropolitan cities, Punjab, Himachal Pradesh and Haryana separately, in 1987 (till date) ;

(b) whether any bank employees resisted the attempts and got the culprits arrested ;

(c) if so, the details thereof for the year 1985, 1986 and 1987 (till date) ;

(d) whether any awards/incentives were given to such employees ; and

(e) the total amount involved in such incidents in each city during the period ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Information in respect of cases of bank robberies/dacoities which occurred in the public sector banks in 1987 (upto 31-10-1987) in the Union Territory of Delhi and metropolitan cities of Bombay, Calcutta and Madras and in the States of Punjab, Haryana and Himachal Pradesh, as reported by RBI, is given below :

Name of the Union Territory/State	No. of dacoities/robberies
1. Delhi	1
2. Bombay	Nil
3. Calcutta	2
4. Madras	1
5. Punjab	28
6. Haryana	Nil
7. Himachal Pradesh	1

(b) to (e). Available information in respect of cases of bank robberies/dacoities in which bank employees resisted the attempts of dacoits/robbers, got the culprits arrested, were given awards/incentives and the amount involved in such incidents for the years 1985, 1986 and 1984 (upto 31-10-87) is given in the Statement below.

(See columns 227—232).

Crisis in Jute Industry

2221. SHRIMATI JAYANTI PAT-
NAIK : Will the Minister of TEXTILES
be pleased to state :

(a) whether the Jute Industry has been facing serious crisis ;

(b) if so, the main reasons of the present crisis of jute Industry ;

(c) the steps taken by Government to help the Jute Industry out of crisis ; and

(d) the details of the measures adopted therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) and (b). The jute industry has been passing through difficult periods during the past few years due mainly on account of obsolete machinery and equipment, low productivity, and competition from synthetic substitutes.

(c) and (d). A Statement is given below.

Statement

With a view to revitalising the jute industry and giving a major thrust to the modernisation programme, the Government has recently initiated the following package of measures :

- (i) Setting up of Jute Modernisation Fund of Rs. 150 crores with effect from 1st November, 1986 for modernisation of jute mills ;
- (ii) Setting up of a Special Development Fund of Rs. 100 crores for restructuring/re-opening/rehabilitation of jute industry as well as for development of jute agriculture ;

(iii) Waiver of Customs Duty on import of certain specified items of jute machinery and accessories with a view to encouraging modernisation programme of jute mills ;

(iv) Enactment of a legislation i.e. Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987 for mandatory usage of jute packaging material for certain sectors of the economy.

Besides the above measures, the Government has been taking various corrective measures from time to time for improving the working of jute industry, which include :

(v) Providing cash compensatory support for export of jute goods ;

(vi) Purchase of jute goods by Government (DGS & D) from jute industry at cost plus price according to Palekar formula ;

(vii) Permitting new constructions of jute and jute-based bags for commercial use by cement industry ;

(viii) Measures to find out alternative uses of jute in packing tea, coffee, apples and production of jute carpets, blankets etc. ;

(ix) Creation of buffer stock scheme of raw jute so as to bring stability in raw jute prices ; and

(x) Vigorous efforts to participate in global tenders for jute goods by offering competitive prices.

Proposal to Tighten Rural Credit Policy

2222. SHRIMATI JAYANTI PAT-
NAIK :

SHRI LAKSHMAN MAL-
LICK :

SHRI JAGANNATH PATT-
NAIK :

Will the Minister of FINANCE be pleased to state :

(a) whether Government have a proposal to tighten rural credit policy ;

(b) whether the tightening of the rural credit policy may have adverse impact on the farmers for any agricultural or related

Statement

Information Regarding Cases of Bank Robberies/Dacoities in which Bank Employees Resisted the Attempts of Dacoits/Robbers, Got the Culprits Arrested, were Given Awards/Incentives and Amount Involved in these Incidents for the Years 1985, 1986 and 1987 (Upto 31-10-87)

Sl. No.	Name of the Bank/branch	Date of occurrence	Amount involved (Rs. in lakhs)	No. of Bank employees who resisted dacoits/robbers	No. of persons arrested	Awards given	Incentives given
1	2	3	4	5	6	7	8

1.	Bank of Baroda, Kasauli, Himachal Pradesh	28-1-85	1.21	2	2	Recommended for giving gallantry awards	
2.	Bank of India, New Friends Colony, New Delhi	21-5-85	Nil	3	—	—	Rs. 15,000/- were given to Bank Guard who was injured. Rs. 2,500/- and Rs. 2,000/- were given to Branch Manager and a staff member respectively.
3.	Indian Overseas Bank, Bandra, Bombay	4-3-86	Nil	2	—	—	The branch Guard and the staff member who sustained injuries were paid Rs. 50,000/- each and they were also given three advance increments.

4. Union Bank of India, 13-6-86 Ganesh Khind Road, Pune	Nil	6	—	Awarded Shaurya Chakra to 3 Bank employees (including one posthumously)	Rs. 1 lakh was given to the dependent of the peon who was killed while resisting the robbers. Free education and employment has also been given to the dependent. Further Rs. 50,000/- each to the three injured staff members, Rs. 10,000/- to the Accountant and Rs. 5,000/- to clerk were also given.
5. Indian Overseas Bank, Green Avenue, Amritsar	0.05	1	—	—	A compensation of Rs. 1 lakh was paid to legal heir of the deceased Gunman.
6. Punjab National Bank, Geetanjali Enclave, New Delhi	Nil	2	—	—	A compensation of Rs. 50,000/- was given to the injured Guard. The other Guard was also given Rs. 5,000/-.
7. New Bank of India, 26-8-86 Nawan Shahar, Jalandhar	Nil	2	—	—	It was proposed to pay compensation of Rs. 15,000/- each to the Bank Guard and the Branch Manager.
8. State Bank of Patiala 5-9-86 Extension Counter, Model Town, Patiala	Nil	1	—	—	-Not available-
9. Union Bank of India, 10-9-86 Grant Road, Bombay	Nil	1	—	—	Rs. 1 lakh was paid as compensation to the dependent of the watchman. Further, educational expenses to the children and employment to one of the dependent was also given.

1	2	3	4	5	6	7	8
10.	United Bank of India, Garden Reach branch, Calcutta	6-10-86	0.30	Staff members	3	—	-Not available-
11.	UCO Bank Ram Bazar branch Shimla, Himachal Pradesh	10-9-87	0.05	Staff members	1	—	-Not available-

operation ; and

(c) if so, the remedial measures proposed to be taken by Government ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Reserve Bank of India (RBI) has reported that it has not contemplated any steps to tighten the rural credit policy.

(b) and (c). Do not arise.

[Translation]

NRI Investment in Electronics, Energy and Petro-Chemicals

2223. SHRI SHANTI DHARIWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government have formulated a scheme to encourage non-resident Indians for making investment in the field of electronics, energy and petro-chemicals in the country ;

(b) if so, whether Government had encouraged them earlier also for making investment in the country in the above fields ;

(c) if so, whether not non-resident Indians had shown their interest at that time ;

(d) the steps taken by the Government to simplify the procedure for NRI investment and the details thereof ; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (c). The Investment Facilities for Non-Resident Indians/persons of Indian Origin were liberalised in 1982. These include Schemes both on Non-Repatriation and Repatriation basis. Non-Resident Indians/Persons of Indian Origin can invest on a non-repatriation basis in any company except those dealing in real estate business. Under the Repatriation Scheme, investments can be made in companies engaged in industrial manufacturing activity, export-oriented units, hospitals and medical diagnostic centre using sophisticated medical equipment and hotels of 3 to 5 star

categories. The NRI Investment under this Scheme can go upto a maximum 40% or 74% of the equity capital of the Indian company depending upon the nature of the activity. Investments can be made in all fields, including Electronics, Energy Saving Devices and Petro-chemicals, where private enterprises is allowed to invest, NRIs have shown fairly good interest in the Investment facilities offered to them.

(d) and (e). The NRI Investment Policy and Procedure are reviewed from time to time and suitable changes made, wherever necessary.

Assistance by Banks and L.I.C. for Housing Purposes

2224. SHRI SHANTI DHARIWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government have considered to provide financial assistance to the public through nationalised banks and Life Insurance Corporation to solve the housing problem in the country ;

(b) if so, whether the Life Insurance Corporation has requested Government to effect an amendment in section 27A(1) (1) of the Life Insurance Corporation Act ; and

(c) if so, the views of Government in this regard and the names of the nationalised banks which propose to give financial assistance for housing facilities and the details of their proposals in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Yes, Sir.

(c) Government have approved the proposal of the LIC of India and necessary notification to amend this provision has been issued on 18th November, 1987.

With regard to banks, in terms of RBI guidelines, Rs. 150 Crores from Commercial Banks are earmarked every year on non-cumulative basis for financing housing purpose. The aggregate quantum of funds thus allocated to various categories of borrowers is as under :

(Rs. in Crores)

Direct Finance

(i) Individuals/Group of Borrowers belonging to SC/ST and EWS.	30.00
(ii) Individuals/Group of Borrowers belonging to Low Income Group.	20.00
(iii) Others.	15.00

Indirect Finance

(i) Investment in Guaranteed Debentures/Bonds of HUDCO/Housing Boards.	75.00
(ii) Housing Development Finance Corporation (HDFC)*	10.00

 150.00

*HDFC was allocated an additional Rs. 10 Crores for every year since 1983.

Amounts advanced by Banks for Housing on All-India basis is as under :

	1985 (Rs. in Crores)	1986
Direct Finance		
(i) SC/ST/EWS	6.16	17.66
(ii) LIG and Others	5.82	4.03
Indirect Finance		
(i) HDFC	14.48	18.16
(ii) Investment in Bonds/Debentures of HUDCO/Housing Boards.	113.57	111.44
(iii) State Level Agencies.	7.26*	34.92*
	147.29	186.21

*This represents term loans provided to State Level Agencies (such as Housing Finance Corporations and Housing Boards) since January 1985 for provision of housing to SC/ST and EWS conforming to priority sector norms.

** (As per above).

Memorandum from Copper and Nickel Consumers

2225. SHRI SHANTI DHARIWAL : Will the Minister of COMMERCE be pleased to state :

(a) whether Government have received any memorandum from consumers of copper and nickel in regard to the increase made in the prices of these metals by Minerals and Metals Trading Corporation of India ;

(b) if so, whether this memorandum has since been considered by Government ;

(c) if so, whether Government have considered the problems of consumers of these metals ; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Yes, Sir.

(b) to (d). Prices of copper and nickel are decided by a Committee based on international prices of these metals, freight, insurance etc. However, the matter relating to suitable pricing policy for copper, taking into account the interests of the consumers as well as indigenous producers, has been referred to Bureau of Industrial Costs and Prices for consideration.

Need for National Policy on Cotton

2226. SHRI SHANTI DHARIWAL : Will the Minister of TEXTILES be pleased to state :

(a) whether Government's attention has been drawn to the news item captioned "Cotton Famine—Need for National Policy" appearing in the Financial Express dated 3 October, 1987 ;

(b) if so, whether the workers of the textile mills of the country are likely to face unemployment ; and

(c) if so, the steps taken by Government to face the problem ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) Government are aware of the report.

(b) and (c). The Cotton crop during 1987-88 has been estimated at 95.00 lakh

bales. The prices of cotton have also been showing a declining trend since September, 1987. However, Government is keeping a careful watch on the situation. Export of staple cotton has been suspended since July, 1987.

[English]

CCS to Certain Products

2227. SHRI VAKKOM PURUSHOTHAMAN :

SHRI SRIBALLAV PANIGRAHI :

Will the Minister of COMMERCE be pleased to state :

(a) whether Government have decided to give Cash Compensatory Support (CCS) to certain products to promote export of these items ;

(b) if so, the details of the products including engineering and agricultural items with rates of CCS ; and

(c) the targets for fixed export of these items ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). New Scheme of Cash Compensatory Support (CCS) was introduced with effect from 1st July, 1986. The Scheme provides for grant of CCS on export of (i) Engineering Goods, (ii) Chemicals and Allied Products, (iii) Plastic Goods, (iv) Agricultural products and processed Food items, (v) Leather goods, (vi) Sports goods, (vii) Textiles, (viii) Handicrafts and carpets. The rates of CCS vary from 5% to 22%. The over all export target for all items, including agricultural and engineering items has been fixed at Rs. 13,800 crores for the year 1987-88.

Areas for Export Promotion

2228. SHRI VAKKOM PURUSHOTHAMAN : Will the Minister of COMMERCE be pleased to state :

(a) the thrust areas identified by Government for export promotion ;

(b) the steps taken to boost export of these items ;

(c) the targets fixed for export of these

items for the current year ; and

(d) the exports realised in the thrust areas during the first half of the year ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) The 14 broad sectors identified for making special thrust in markets abroad are given below :

1. Tea, especially in packaged and value-added forms ;
2. Cereals ;
3. Processed foods, including fruits and juices, meat and meat products and fresh fruits and vegetables ;
4. Marine products, especially in value-added forms ;
5. Iron ore ;
6. Leather and Leather manufactures, with an emphasis on the latter ;
7. Handicrafts and jewellery ;
8. Capital Goods and consumer durables ;

9. Electronics goods and computer software ;

10. Basic Chemicals ;

11. Fabrics, piece-goods and made-ups ;

12. Readymade garments ;

13. Woollen fabrics and knitwear ; and

14. Projects and services.

(b) A series of initiatives have been taken to promote exports of various items, including those of thrust commodities. These are designed to generate surpluses for exports, to include the production of goods contemporary in technology and competitive in prices and to make the export profitable.

(c) The export target for all items of export, including the thrust areas has been fixed at Rs. 13,800 crores for the year 1987-88.

(d) A statement indicating export performance of broad commodity groups, including the thrust areas, during April-June, 1987, for which period data is available is given below :

Statement

Commodity Group	April-June, 1987 (P) (Value : Rs. Crores)
1	2
1. Tea	77.72
2. Cereals	83.39
3. Processed Foods	92.25
4. Marine Products	116.83
5. Iron Ore	159.13
6. Leather and leather mfrs.	236.31
7. Gems & Jewellery	557.95
8. Handicrafts	47.94
9. Engineering Goods including capital goods and consumer durables, Electronic goods and computer software	276.07
10. Basic chemicals, Pharmaceuticals and Cosmetics	150.87
11. Cotton fabrics, yarn, made-ups etc.	208.13

1	2
12. Readymade garments	433.96
13. Wool and Woollen mfrs.	1.24
14. Projects and Services	365.00*
Total including others	3694.89

P : Provisional.

* : Relates to Turn Key, Civil construction and consultancy projects of the value of above Rs. 2 crores secured with the support of the EXIM Bank during the period January-September, 1987. These figures are not included in the figure for total exports.

Source : DGC&S, Calcutta.

**Loans to Farmers in Drought and
Flood Hit Areas**

2229. SHRI VAKKOM PURUSHO-
THAMAN :

SHRI P. KOLANDAIVELU :

Will the Minister of FINANCE be pleased to state :

(a) the amount of agricultural credit made available by the National Bank for Agriculture and Rural Development to the cooperative banks and regional rural banks for loans to farmers in the drought and flood hit areas ;

(b) the total amount of agricultural credit made available to farmers, State-wise ; and

(c) the number of farmers benefited by this credit facility, State-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) National Bank for Agriculture and Rural Development has sanctioned credit limits and extended refinance assistance to State Cooperative Banks and Regional Rural Banks in the States/Union Territories affected by the drought and floods in the current year as per the details indicated below :

State Co-operative Banks

(Rs. in lakhs)

1	2
(i) Seasonal Agricultural Operations	
(a) Limit sanctioned	133404
(b) Drawals from July-Sept., 1987	36873
(c) Outstanding at the Sept., 1987	71252
(ii) Medium Term Credit Limits	
(a) Limit sanctioned	1013
(b) Drawals during Jan.-Sept., 1987	111
(c) Outstanding at the end of Sept., 87	2550

1	2
(iii) Conversion including Rephasement	
(a) Limit sanctioned	7984
(b) Drawals during July-Sept., 87	1772
(c) Outstanding at the end of Sept., 87	17332
Regional Rural Banks	
(a) Short term credit limit sanctioned for 1987-88	23205
(b) Medium Term (Non-Schematic) credit limit sanctioned for 1987-88	4979
(c) Medium Term (conversion), 1987-88	201
(d) Refinance availed under NABARD's Special Line of Credit against Schematic lending as on 31-3-1987 by all RRBs	27200

(b) and (c). The latest available information relating to number of accounts and advances are indicated, State-wise, in the balance outstanding as on the last Friday of June, 1986 in respect of direct agricultural advances are indicated, State-wise, in the Statement below :

Statement

*State-wise break-up of Direct Agriculture advances
(As on Last Friday, June, 1986)*

(Amount in lakhs of Rupees)

Name of State/Union Territory	No. of A/cs.	Balance outstanding
1	2	3
I. Northern Region	1646266	155595.90
Haryana	379440	33694.09
Himachal Pradesh	117407	3280.03
Jammu and Kashmir	30846	1920.72
Punjab	591894	63184.90
Rajasthan	502691	34395.00
Chandigarh	4609	15785.08
Delhi	19379	3336.08
II. North Eastern Region	201425	8590.08
Assam	113972	5324.30
Manipur	6123	296.09
Meghalaya	19158	723.41

	1	2	3
Nagaland	4645	808.53	
Tripura	49018	1176.39	
Arunachal Pradesh	1668	58.83	
Mizoram	876	60.34	
Sikkim	5965	142.19	
III. <i>Eastern Region</i>	2555321	86172.23	
Bihar	973633	32472.89	
Orissa	679383	20696.23	
West Bengal	900000	32862.84	
Andaman and Nicobar Islands	2305	140.27	
IV. <i>Western Region</i>	1760785	121967.53	
Gujarat	684888	44899.61	
Maharashtra	1043550	75104.15	
Goa, Daman and Diu	31402	1950.40	
Dadra and Nagar Haveli	945	13.37	
V. <i>Central Region</i>	2486578	125645.14	
Madhya Pradesh	714929	43125.36	
Uttar Pradesh	1771649	82519.78	
VI. <i>Southern Region</i>	6968288	293781.40	
Andhra Pradesh	2358956	102680.84	
Karnataka	1341701	71162.17	
Kerala	1091505	337700.03	
Tamil Nadu	2117462	84315.17	
Pondicherry	58180	1886.63	
Lakshadweep	484	36.56	
All India	15618663	791752.28	

Recovery of Loans in Drought Hill Areas

2230. SHRI VAKKOM PURUSHOTHAMAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government have decided to suspend loan recovery by nationalised banks in the drought-hit area ;

(b) if so, criteria laid down for suspension of recovery and repayment ; and

(c) the number of cases in which recovery of loan has been suspended in the drought-hit areas, State-wise ?

THE MINISTER OF STATE IN THE

MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). There are standing guidelines of Reserve Bank of India for grant of relief and concessions by financing institutions to persons/borrowers affected by natural calamities. Reserve Bank of India (RBI) has recently advised the commercial banks that in the case of farmers affected by drought successively for three or more years, banks may defer recovery of the amount falling due on account of principal as well as interest in the current year (July 1987-June 1988) for a period of two years or till the next normal year, if it occurs earlier, on merits of each case. The reporting system prescribed by RBI in this regard is bankwise. RBI has reported that all India position of total estimated amount of deferment of principal and interest so far reported to it is of the order of Rs. 108.39 crores in respect of eleven commercial banks.

Facilities to Unions in Banks

2231. SHRI K. RAMAMURTHY : Will the Minister of FINANCE be pleased to state :

(a) the number of employees relieved full time and half time in the nationalised banks including the State Bank of India and its associate banks to do the union work ;

(b) whether any instructions have been given to the banks to withdraw the facility, if so, when and the action taken for not implementing those instructions ;

(c) the various other facilities provided to the recognised unions in the banks ; and

(d) the criteria followed by the nationalised banks and the State Bank of India in giving recognition to union other than check off and verification ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) According to the information made available by the Public Sector Banks 108 office bearers of the banks' unions/associations have been provided duty relief as per their existing arrangements/understanding with the unions.

(b) Instructions were issued to all banks in 1981 and 1982 not to allow unauthorised

absence on the part of employees whether they were office bearers or otherwise except to the extent provided under the Awards/Bipartite Settlements at industry-level. However, total withdrawal of the facilities to recognised unions in all banks has not been entirely possible so far.

(c) Other facilities given to recognised unions by banks, which vary from bank to bank, are, inter-alia, grant of TA/DA for attending negotiations/discussions etc. and office facilities including office space.

(d) The criterion followed by the banks in giving recognition to the union/association is that of majority following/membership decided by verification or check off.

Non-Resident Indians Deposits in Banks

2232. SHRI K. RAMAMURTHY : Will the Minister of FINANCE be pleased to state :

(a) the number of Non-Resident Deposit accounts in the nationalised and private sector banks and the rate of interest for these accounts ;

(b) the total amount of foreign currency deposited in banks by Non-Residents during 1984, 1985 and 1986 ;

(c) the total amount of interest in foreign exchange paid by the banks on Non-Residents deposits during 1984, 1985 and 1986 ;

(d) the interest rate for foreign deposit accounts in Pakistan, Sri Lanka, Burma and Bangladesh ; and

(e) other privileges and facilities given to the Non-Resident depositors in India ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). The number of Non-Resident Deposits Accounts and outstanding balances in the Non-Resident (External) Rupee/Foreign Currency Non-Resident Accounts during the last three years were as follows :

As On	No. ⁿ of Accounts	Amount (Rs. in Crores)			Total Amount
		NRE	FCNR \$ (Rupee Equivalent)	FCNR £ (Rupee Equivalent)	
31-3-85	16,85,956	2863.95	617.57	337.05	3818.57
31-3-86	18,70,590	3461.42	1758.58	429.64	5649.64
31-3-87	21,24,705	4336.20	3047.10	464.01	7847.31

The rate of interest on Non-Resident Resident (FCNR) Accounts effective from External (NRE) and Foreign Currency Non- 12th October, 1987 are as follows :

Period of Deposits	Interest Rate (% per annum)	
	NRE	FCNR
(a) Six months and above but less than one year	8.5	8.5
(b) One year and above but less than two years	10.5	10.0
(c) Two years and above but less than three years	11.0	10.5
(d) Three years and above but less than five years	12.0	11.0*
(e) Five years and above	13.0	—

*From 5-5-86, FCNR Deposits are accepted for a maximum period of three years only.

(c) The interest payable on Deposits of Currency Non-Resident (FCNR) Accounts Non-Resident Indians under the Foreign during the last three years is as follows :

Year	Amount in Millions	
	U.S. \$	£ Stg.
1984	28.40	7.73
1985	47.94	17.67
1986	113.02	30.47

The balances in the Non-Resident (External) Rupee Accounts are maintained in Rupees and the interest accrued on these balances is credited in the same account.

The question of payment of principal and interest in Foreign Currency arises only when repatriation of such balances are sought by the depositors. As such, the details of the

interest payable in foreign exchange on such accounts is not being maintained separately.

(d) Information is being collected and, to the extent available, will be laid on the Table of the House.

(e) The interest income on Non-Resident (External) Rupee and Foreign Currency Non-Resident Accounts maintained by Non-Resident Indians/Persons of Indian Origin is totally exempt from Income-tax. These deposits are also exempt from Wealth-tax. Besides, Gifts made out of these deposits to close-relatives in India are also exempt from Gift-tax.

Rehabilitation of Sick SSI Units by Banks

2233. SHRI K. RAMAMURTHY : Will the Minister of FINANCE be pleased to state :

(a) the norms of the Reserve Bank of India for granting reliefs and concessions by banks and financial institutions to potentially viable sick small scale industrial units for rehabilitation ;

(b) whether any monitoring is being done that these norms are being fully implemented by banks and financial institutions ; and

(c) if not, the steps proposed to be taken to ensure their full implementation by banks and financial institutions ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The Reserve Bank of India (RBI) has reported that it has issued guidelines to scheduled commercial banks covering, inter alia, definition of sick SSI unit, viability norms and the extent of reliefs and concessions which can be extended to potentially viable sick small scale industrial units taken up for rehabilitation by banks. Industrial Development Bank of India has issued similar guidelines to State Financial Corporations. The reliefs and concessions may extend to, depending upon the merits of each case, deferment of recovery of past dues, concessional rates of interest, rescheduling of principal and interest, grant of need based

working capital, funding of cash losses, etc. The Reserve Bank of India guidelines include, inter alia, the suggestion to identify the units showing symptoms of sickness by effective monitoring. RBI has also prescribed half-yearly returns to be submitted by commercial banks covering State-wise and industry-wise data relating to SSI units. The compliance with instructions issued by RBI is verified by them during inspection of banks.

Acceptance of Public Deposits by Unincorporated Bodies

2234. SHRI Y.S. MAHAJAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware of unscrupulous activities of some of the unincorporated bodies accepting deposits from public in violation of provisions of Chapter III-C of the Reserve Bank of India Act, 1934 and promising higher returns but later on declining to pay interest as also principal amounts ;

(b) if so, the steps Government have taken or propose to take to check such activities of these unincorporated bodies which not only dupe the simple minded general public but also hamper the Government's efforts to mobilise savings for productive purposes ;

(c) whether State Governments are primarily concerned in regulating and controlling such unlawful activities of these unincorporated bodies ;

(d) if so, whether Government have issued any specific guidelines to the State Governments to safeguard the interests of the general public ; and

(e) if so, the details thereof and if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (e). Government are aware that certain unincorporated bodies have been accepting deposits from public by offering very high rates of interest. There are also reports about certain unincorporated bodies not paying back the deposits, including interest, to the depositors, when demanded.

Prior to the enactment of Banking Laws (Amendment) Act, 1983 which came into effect from 15.2.1984, there was no control on the activities of the unincorporated bodies who have been accepting deposits from public. With the passage of the Banking Laws (Amendment) Act, a new Chapter III-C has been incorporated in the Reserve Bank of India Act, 1934. In terms of this Chapter, acceptance of deposits by unincorporated bodies stand prohibited except to the extent specified therein. The RBI Act also provides for penal action for violating these provisions. These powers vest concurrently in RBI and State Governments. RBI had written to the State Governments/Union Territories' Administration to create necessary enforcement machineries for enforcing the provisions of Chapter III-C. RBI has reported that so far, 12 States/Union Territories have issued notifications authorising specified officers to take action against the erring bodies. RBI is pursuing the matter with other States/Union Territories. RBI has also been issuing press statements giving publicity to the provisions of Chapter III-C and cautioning the general public about the risk involved in depositing money with the unincorporated bodies.

Reserve Bank of India has reported that it has, with the help of the concerned State Police, raided 87 firms in Kerala, Tamil Nadu, Gujarat, Karnataka and Delhi and launched prosecution in respect of 13 bodies recently.

The Constitutional validity of Chapter III-C of Reserve Bank of India Act, 1934 has been challenged. The matter is pending before the Supreme Court and is, therefore, sub-judice.

Savings in Defence Expenditure

2235. PROF. P.J. KURIEN : Will the Minister of DEFENCE be pleased to state :

(a) whether any evaluation of the actual scope of savings in the defence expenditure has been done ;

(b) if so, the details thereof ; and

(c) the specific measures being taken to avoid wasteful expenditure ?

THE MINISTER OF STATE IN THE

DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a) Yes, Sir.

(b) and (c). A high level Committee consisting of Cabinet Secretary, Defence Secretary and Special Secretary to PM has been constituted to identify areas of economy in Defence expenditure without affecting operational readiness. The areas identified for economy include manpower growth, better inventory management, economy in the use of POL, disposal of obsolete and surplus stores and selective modernization. Besides, economies have been effected in foreign travel, exhibitions, training, publications etc.

Problems of Cardamom Growers in Kerala

2236. PROF. P.J. KURIEN : Will the Minister of COMMERCE be pleased to state :

(a) whether Government are aware that the cardamom growers in Kerala are switching to other crops due to the constant decline in the prices of cardamom ; and

(b) if so, the specific steps being taken to discourage them from abandoning the cultivation of cardamom ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Some growers, in whose cardamom farms productivity was low, are said to have switched over to some other crops. At the same time, some efficient growers have been taking up more lands under cardamom cultivation.

(b) For increasing productivity, the Spices Board is implementing package of measures which include inter-alia extension services, subsidies for cardamom replantation, for creating irrigation facilities, for plant protection etc.

Export of Coconut Oil to Gulf Countries

2237. PROF. P.J. KURIEN : Will the Minister of COMMERCE be pleased to state :

(a) whether Government are considering a proposal to export coconut oil through any State agency or co-operative organisa-

tion to the Gulf countries ;

- (b) if so, details thereof ; and
- (c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Yes, Sir.

- (b) Does not arise.

(c) In view of domestic shortages export of edible oil is not encouraged.

Production of Small Engines for Aircraft By HAL

2238. SHRI PRAKASH V. PATIL : Will the Minister of DEFENCE be pleased to state :

(a) whether the Hindustan Aeronautics Limited is importing small engines for HPT-32 trainer aircraft ;

- (b) if so, the reasons therefor ;

(c) whether efforts are now being made to attain self-sufficiency in this regard ; and

- (d) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a) Yes, Sir. M/s. Hindustan Aeronautics Limited (HAL) are importing piston engines for powering HPT-32 trainer aircraft.

(b) to (d). HAL do not find it feasible to undertake indigenous production of any type of piston engine as only limited quantities are required by them. M/s HAL have, however, set up facilities for major repairs and overhaul of various types of piston engines, including the one fitted on HPT-32 aircraft.

[Translation]

Loans to Weaker Sections in U.P.

2239. SHRI AKHTAR HASAN : Will the Minister of FINANCE be pleased to state :

(a) the amount of loan given by the nationalised banks to economically weaker sections of people in Uttar Pradesh under various schemes and programmes of rural

development during 1985, 1986 and 1987 (so far) ;

(b) the names of the nationalised banks which advanced the loans as per the instructions given to them ; and

(c) the amount of loan proposed to be given in Uttar Pradesh under these schemes and programmes in 1988 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The present data reporting system does not provide State-wise and category-wise information regarding amount of loans disbursed in a particular period. However, according to the information available from Reserve Bank of India the outstanding advances given to the weaker sections by the scheduled commercial banks in Uttar Pradesh stood at Rs. 629.46 crores as at the end of December 1985 and Rs. 678.63 crores as at the end of June 1986.

(b) All scheduled commercial banks operating in Uttar Pradesh grant loans according to the guidelines/procedures issued from time to time by the Reserve Bank of India.

(c) No State-wise targets have been fixed for lending under priority sector. Banks have been advised to ensure that advances to the 'weaker sections' should not be less than 10% of total advances.

[English]

Managerial Cadres in MMTC

2240. DR. V. VENKATESH : Will the Minister of COMMERCE be pleased to state :

(a) whether man power requirement is planned for managerial cadres in MMTC ;

(b) the cadre-wise region-wise sanctioned strength and working strength of managers as on 1 January, 1984, 1-1-1985, 1-1-1986 and 1-1-1987 ;

(c) cadre-wise details of vacancies caused and created during the years 1984 to 1987 ; and

(d) the details of filling up of these vacancies by promotion, LCT and direct recruitment ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (d). The information is being collected and will be laid on the Table of the House.

Strike Call by Bank Employees Federation

2241. SHRI KAMLA PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether the Bank Employees Federation of India has given a call for a country-wide strike on 27th November, 1987 to press for their various demands ;

(b) if so, the details of their demands ; and

(c) the steps taken or proposed to be taken to meet the demands ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Bank Employees Federation of India (BEFI) is understood to have given a call for country-wide strike on 27th November, 1987 demanding immediate negotiations with the Federation on their Charters of Demands by the Indian Banks' Association, which represent the management side of the banking industry. The main demands of the BEFI are : revision of pay scales based on 1960 price index at 660 points namely—clerks Rs. 1245-3700 and sub-staff Rs. 1030-2100 ; full neutralisation of Dearness Allowance above Price Index at 660 points ; increased/revision in the quantum of existing Special Allowances and other Allowances, etc. ; introduction of Pension, improvements in other service matters such as Provident Fund, Gratuity, medical benefits, leave rules ; etc.

It is learnt from IBA that they are not willing to invite for the present negotiations those unions, such as BEFI, which have refused to subscribe to the earlier settlements including those on computerisation and mechanisation. IBA has not taken any action on the charter of demands of BEFI.

Demands of Cotton Cloth for Textile Mills

2242. SHRIMATI KISHORI SINHA : Will the Minister of TEXTILES be pleased to state :

(a) whether cotton textile mills are facing demand resistance to their products ;

(b) whether this had led to fall in cotton prices ;

(c) whether this is mainly due to invasion of blended fabrics and polyester fibre being cheaper than cotton ; and

(d) if so, the steps being taken to improve the competitiveness of cotton cloth ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) Yes, Sir.

(b) and (c). No, Sir.

(d) Does not arise.

[Translation]

Environment Task Force Battalion for Pithoragarh, U.P.

2243. SHRI HARISH RAWAT : Will the Minister of DEFENCE be pleased to state :

(a) whether Government propose to constitute an Environment Task Force Battalion of Territorial Army for Pithoragarh District of Uttar Pradesh ;

(b) if so, the details thereof ; and

(c) if not, the reasons thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a) No, Sir.

(b) Does not arise.

(c) The Ministry of Defence has received no such proposal.

Setting up of an Ordnance Factory in Pithoragarh/Uttar Pradesh

2244. SHRI HARISH RAWAT : Will the Minister of DEFENCE be pleased to state :

(a) whether there is a proposal to set up an Ordnance factory at Pithoragarh in Uttar Pradesh to manufacture light items of

defence keeping in view the serious problems of rehabilitation of ex-servicemen there ;

(b) if so, by what time ; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a) No, Sir.

(b) Does not arise.

(c) Decision on location of new Defence Production Units is taken by Government on strategic and techno-economic considerations.

[English]

Proposal to Hand Over Accounting Work in Gujarat to State Government

2245. SHRI INDRAJIT GUPTA : Will the Minister of FINANCE be pleased to state :

(a) whether there is a proposal for the Comptroller and Auditor General's office to hand over GPF/HBA/MCA accounting work in respect of Gujarat to the State Government in the near future ;

(b) if so, whether such a proposal conforms to the report of the Committee of Secretaries appointed to consider the ques-

tion of handing over of accounts ; and

(c) whether objections have been received from the Civil Audit and Accounts Association ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Yes, Sir.

(b) No Committee of Secretaries was appointed to consider the question of handing over of accounts.

(c) Yes, Sir.

Rise in Net Internal Borrowing and Interest Payments

2246. SHRI INDRAJIT GUPTA : Will the Minister of FINANCE be pleased to state :

(a) whether there has been a big rise in the net internal borrowings and interest payments on such borrowing recently ; and

(b) if so, the facts thereof and how Government/propose to meet the situation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). The internal market borrowings and the interest on the outstanding market loans during the three years from 1984-85 are as follows :

(Rs. crores)

	1984-85	1985-86	1986-87 RE
Internal market borrowings	4096	4886	5330
Interest payments	1991	2465	3322

As a source of financing the Budget, the share of market borrowing has actually registered a fall—that is, from 9.8% of the total expenditure of Rs. 41678 crores in 1984-85 to 8.8% of the total expenditure of Rs. 60328 crores in 1986-87 RE. It may be added that the scheme of financing the Seventh Plan assumes that Centre would raise Rs. 20620 crores (at 1984-85 prices) through market loans.

Demand for More Concessions to 100 Per Cent EOUs

2247. SHRI INDRAJIT GUPTA : Will the Minister of COMMERCE be pleased to state :

(a) whether the All India Association of Hundred per cent Export Oriented Units (EOUs) have demanded more concessions ; and

(b) if so, the details of these demands and Government's reaction thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). The All India Association of 100 per cent Export Oriented Units has welcomed the measures taken by the Government to revamp the Scheme and has suggested that Cash Compensatory Support may be extended to the production of these units with a view to increasing the export potential. Cash Compensatory Support is presently being granted on supplies to the 100% Export Oriented Units from the Domestic Tariff Area. The suggestion of the Association is for an alternative arrangement related to the output of these units. No decision has been taken on the request.

Cooperative Spinning Mills in Orissa

2248. SHRI SRIBALLAV PANIGRAHI : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have approved the location of some spinning mills on cooperative basis in Orissa ;

(b) if so, the number of co-operative spinning mills approved for setting up in that State ;

(c) the places where these co-operative spinning mills are proposed to be set up ; and

(d) the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) and (b). The Union Government have granted licences to eight cooperative spinning mills in Orissa.

(c) and (d). A Statement is given below.

Statement

List of Licensed Cooperative Spinning Mills in Orissa

Cooperative Sector

1. Orissa Weavers' Cooperative Spinning Mills Ltd., Tora.

2. Utkal Weavers' Cooperative Spinning Mills Ltd., Khorda.

3. Kalinga Weavers' Cooperative Spinning Mills Ltd., Govindpur.

4. Gangpur Weavers' Cooperative Spinning Mills Ltd., Kirel.

5. Shri Jagnath Weavers' Cooperative Spinning Mills Ltd., Navpatra.

6. Shree Sarla Weavers' Cooperative Spinning Mills, Sahidnagar.

7. Shree Gopinath Weavers' Cooperative Spinning Mills Ltd., Baliapal, District Balasore.

8. Phulbani Cooperative Synthetic Spinning Mills Ltd., Bhubaneswar.

Payment of Arrears by Coffee Board to Coffee Growers of Kerala

2249. SHRI SURESH KURUP : Will the Minister of COMMERCE be pleased to state :

(a) the total amount pending as arrears from the Coffee Board to the farmers of Kerala for the coffee purchased from them ;

(b) the exact amount pending for the last three years, year-wise ;

(c) whether there is undue delay in disbursing this amount to the farmers ; and

(d) if so, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) The Coffee Board is not maintaining State-wise account of coffee delivered to the pool by the growers of Kerala. However, if the quantity of coffee collected in depots and curing works is reckoned as the coffee delivered by growers of Kerala, then only a small amount of Rs. 1.35 crores is pending to the growers. This consists of a payment of three paise per point for 1983-84 which is held back for future adjustment. Besides a payment of 24 paise per point for 1985-86 could not be declared pending receipt and scrutiny of the certified accounts from the A.G., Karnataka. These accounts have since been received on 6-11-1987.

(b) The break-up for the last three years pending are as under :

1983-84 Rs. 0.07 crores

1984-85 Nil

1985-86 Rs. 1.28 crores

(c) No, Sir.

(d) Does not arise.

**Saving Schemes of Nationalised Banks
for Income-tax Payers**

2250. DR. T. KALPANA DEVI : Will the Minister of FINANCE be pleased to state :

(a) the existing saving schemes operative through nationalised banks for Income-tax payers as well as non-Income-tax payers separately ;

(b) the rate of interest for each saving scheme of nationalised banks ; and

(c) the existing saving schemes operative through commercial banks with rate of interest for each scheme ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (c). The saving schemes operating in nationalised banks as well as in commercial banks are (i) Savings Bank Deposits, (ii) Term Deposits, and (iii) Current Account Deposits. Under Term Deposits different schemes such as Recurring Deposit, Cumulative Deposit, Re-investment Plan Deposit, Cash Certificate, Annuity Deposit and Ordinary Fixed Deposit Schemes are available. Deposit Schemes are open to all types of depositors without any distinction between Income-tax payers and non-Income-tax payers.

(b) The existing rates of interest payable on bank deposits are as follows :

	Interest Rates (% per Annum)
1. Current Account Deposits	Nil
2. Savings Deposits	5.0
3. Term Deposits :	
(i) For deposits for 15 days to 45 days and for deposits subject to withdrawal or repayment after notice for a period not exceeding 45 days	3.0
(ii) For deposits for 46 days to 90 days and for deposits subject to withdrawal or repayment after notice for a period exceeding 45 days but not exceeding 90 days	4.0
(iii) For deposits for 91 days and above but less than 6 months	6.5
(iv) For deposits for 6 months and above but less than 1 year	8.0
(v) For deposits for 1 year and above but less than 2 years	9.0
(vi) For deposits for 2 years and above	10.0

Government Shops for Sale of Jewellery and Ornaments

2251. DR. T. KALPANA DEVI : Will the Minister of FINANCE be pleased to state :

(a) whether Government have set up certain authorised shops in each state for sale of jewellery and ornaments at its prescribed rates ;

(b) if so, locations of these shops State-wise and details of directions given for prescribed rates for each item of jewellery ;

(c) in what way these authorised shops will ensure standard and purity of jewellery to be sold by these shops ;

(d) what steps Government have taken to ensure people to test standard and purity of jewellery at their own at these authorised shops ; and

(e) if no such steps have been taken, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B K. GADHVI) : (a) No, Sir.

(b) to (d). In view of (a) above question does not arise.

(e) Since gold is not an essential commodity Government does not consider it necessary to regulate the trade in gold, nor itself undertake such trade.

Garment Export Policy

2252. DR. T. KALPANA DEVI : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have been requested for continuance of current year's policy of garment export ; and

(b) if so, the details of the request vis-a-vis present policy of garment export ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) and (b). Yes, Sir. A request has been received from the Trade for roll over of the existing policy for the

year 1988 with the following modifications :

(i) "Associate concerns clause may be removed under the FCFS.

(ii) Past performance and manufacturer-exporters entitlement holders be allowed to participate at any time in the FCFS System without any restraining condition.

(iii) Validity of quota endorsements under FCFS System should be 15 days from the date of endorsements.

Minimum Annual Export Turnover for 100 Per Cent EOUs

2253. SHRI YASHWANTRAO GADAKH PATIL : Will the Minister of COMMERCE be pleased to state :

(a) whether Government propose to fix a minimum annual export turnover for 100 per cent Export-Oriented Units ;

(b) if so, the details thereof ; and

(c) the number of units which at present do not satisfy the requirement and the action proposed to be taken against such units ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). With a view to ensuring viability of projects, it has been decided to approve under the 100 per cent Export Oriented Units scheme only such projects as offer a reasonable annual turnover, depending on the nature of the venture. This decision will be applicable only to future projects.

Overseas Trade Fair

2254. SHRI PRATAPRAO B. BHOSALE : Will the Minister of COMMERCE be pleased to state :

(a) whether India had participated in Overseas Import Fair ;

(b) if so, the names of trades which attracted the attention of European Community ;

(c) whether some orders have been booked at Overseas Import Fair ; and

(d) If so, the details of these orders

industry-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Yes, Sir. India had participated in the Overseas Import Fair 'Partners for Progress', Berlin (Federal Republic of Germany), September 30—October 3, 1987.

(b) Garments and fabrics were the specific product groups that attracted the attention of business visitors of E.E.C.

(c) and (d). The participants from India booked 608 orders, under special fair quota, in nine categories of garments i.e. knitted T-Shirts, garments similar to T-Shirts, ladies jackets, trousers, ladies blouses, gents shirts, ladies dresses, ladies skirts and ladies coordinated suits. 210 orders were admitted by the Federal Quota Officer of the Government of F.R.G. for allotment of quota. There were valued at the floor prices fixed by the Apparel Export Promotion Council at Rs. 15.00 crores.

Insurance Companies

2255. SHRI PRATAPRAO B. BHOSALE : Will the Minister of FINANCE be pleased to state :

(a) the names of Insurance companies functioning in the country under Government control ;

(b) the schemes of insurance being envisaged by each insurance company ;

(c) the schemes of insurance which can be afforded by lower and middle class people ;

(d) the present stage of collection by means of premium by each insurance company ;

(e) the names of insurance companies which are not controlled by Government but authorised to do insurance business ; and

(f) how these insurance companies safeguard the money collected by them ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b).

(i) Life Insurance Corporation of India.

(ii) General Insurance Corporation of India (a holding company) with its following four subsidiary companies :

National Insurance Company Limited.

New India Assurance Company Limited.

Oriental Insurance Company Limited.

United India Insurance Company Limited.

Life Insurance Corporation of India :

(i) Individual Assurances under different benefit plans.

(ii) Annuities, both deferred and immediate.

(iii) Group Term Assurance ;

(iv) Group Gratuity ; and

(v) Group Pension Scheme, etc.

General Insurance Corporation of India :

GIC transacts only Aviation Insurance business directly and also transacts Crop Insurance business on behalf of the Central Government. GIC's four Subsidiary companies transact all classes of general insurance business such as fire, marine, motor and all other miscellaneous classes of insurance business.

(c) All the plans/schemes of LIC/GIC can be afforded by lower and middle class people. GIC has introduced numerous covers for the benefit of lower and middle class people, viz. Personal Accident Insurance including Janata Personal Accident and Gramin Accident Insurance, Cattle Insurance, Agricultural Pumpssets Insurance, and other insurance schemes such as insurance of sheep, goats, piggery, rabbit, poultry, ducks, quails, elephants, failed wells, huts, comprehensive covers for artisans, village and cottage industries, biogas plants, small scale industries and tiny sector industries, shopkeepers'/householders' comprehensive cover, professional indemnity insurance for doctors, chartered accountants,

solicitors, architects, etc., medical insurance for individuals and cancer insurance.

(d) The premium figures for the previous year are as under :

	(Rs. in crores)
LIC	2097.22
GIC	41.51
National Insurance Co. Ltd.	272.99
New India Assurance Co. Ltd.	393.52
Oriental Insurance Co. Ltd.	298.01
United India Insurance Co. Ltd.	354.53

(e) Calcutta Hospital and Nursing Home Association Ltd., Calcutta—a small insurance company permitted to transact sickness insurance business.

(f) The money collected by Insurance companies is safeguarded according to the provisions of Insurance Act and the Guidelines issued by Government from time to time.

Contracts Entered into by TFAI

2256. SHRI H.M. PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether the Trade Fair Authority of India (TFAI) has been entering into contracts with foreign firms for the supply of goods, material and other equipments ;

(b) whether these goods are purchased after calling for tenders ; and

(c) if so, the reasons for purchasing an equipment for setting up an amusement park—Appu Ghar on the Pragati Maidan grounds from International Amusement Ltd., without calling for tenders ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) No, Sir.

(b) Does not arise.

(c) The Trade Fair Authority of India has not purchased any equipment from any foreign firm in connection with setting-up of Appu Ghar in Pragati Maidan. It has only licenced out a portion of land in Pragati Maidan to M/s. International Amusement Ltd. for setting up of Appu Ghar. The rides and equipments for Appu Ghar have been purchased from abroad by M/s. International Amusement Ltd. directly.

Proposal to Modify Silk Import Policy

2257. SHRI SRIKANTA DATTA NARASIMHARAJA WADIYAR : Will the Minister of TEXTILES be pleased to state :

(a) whether State Government of Karnataka has recently requested his Ministry to modify the import policy related to silk ;

(b) if so, the argument advanced by Karnataka Government for the modification of silk import policy ; and

(c) the details of the steps taken by Union Government in the matter ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) to (c). Government of Karnataka has represented for ban on import of silk under AIS/REP Schemes on the ground that such imports are detrimental to the local sericulture industry. However, the Union Government has not considered it feasible to ban import under the AIS/REP Schemes as these are export incentive Schemes. The fact that silk production in the country has been steadily increasing and prices of silk in the local market continue to be remunerative, indicates that import of raw silk under these Schemes does not have an adverse effect on domestic production.

Import Duty Reduction on Copper

2258. SHRI TARIQ ANWAR : Will the Minister of FINANCE be pleased to state :

(a) whether Government are contemplating reduction in import duty on copper ;

(b) if so, the details thereof ; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (c). The question of fixing appropriate rate of import duty on Copper is under examination of the Government. If a decision is taken to change the existing rate, necessary notification will be laid on the Table of the House.

Loan from European Economic Community

2259. SHRI SWAMI PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether European Economic Community has provided some loan ;

(b) if so, the details of this loan and areas where this is to be utilised ;

(c) whether foreign loan has also been extended by certain agencies and countries in the field of Agriculture ; and

(d) if so, the details thereof and names of programmes where this assistance is to be put in use ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) No loan assistance has been provided by European Economic Community so far.

(b) Does not arise.

(c) and (d). The following agencies/countries have extended loan assistance for the following projects under implementation in the agriculture sector :

Name of agency/ country	Name of the project	Amount of loan committed (US\$M)
1	2	3
International Development Association	(i) Madhya Pradesh Agriculture Extension Project-II	37.0
	(ii) Andhra Pradesh Agriculture Extension Project	6.0
	(iii) Pilot Project for Watershed Development in Rainfed Areas (AP, MP, Karnataka, Maharashtra)	31.0
	(iv) National Agricultural Extension Project-I (MP, Rajasthan, Orissa)	39.1
	(v) National Agricultural Extension Project-II (Haryana, J and K, Karnataka)	49.0
	(vi) Maharashtra Agricultural Extension Project	23.0
	(vii) Tamil Nadu Agricultural Extension Project	28.0
	(viii) National Agricultural Research Project-II	72.1
	(ix) Inland Fisheries (West Bengal, Bihar, Orissa, MP, UP)	70.0

1	2	3
	(x) Cashewnut Project (Karnataka, Kerala, Andhra Pradesh, Orissa)	22.0
	(xi) National Cooperative Development Corporation Project-II	125.0
	(xii) West Bengal Forestry	29.0
	(xiii) J and K/Haryana Social Forestry	33.0
	(xiv) Karnataka Social Forestry	27.0
	(xv) National Cooperative Development Corporation Project-III	220.0
	(xvi) Kerala Social Forestry	31.8
	(xvii) National Social Forestry	165.0
International Bank for Reconstruction and Development (IBRD)	(i) NABARD-I	375.0
	(ii) Punjab Kandi Watershed	30.0
	(iii) Himalayan Watershed Management, UP	46.2
Federal Republic of Germany		(DMM)
	Supply of Breeding Cattle to India	6.0
Netherlands		(Dfl. M)
	NABARD	25.0
Canadian International Development Agency (CIDA)		(Canadian Dollar Million)
	Andhra Pradesh Social Forestry Project	44.0
United States Agency for International Development (USAID)		(US\$M)
	(i) Maharashtra Social Forestry Project	25.0
	(ii) National Social Forestry Project (Gujarat, U.P., Rajasthan, H.P.)	77.0

Bank Aid for Drought

2260. SHRI SWAMI PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether certain banks have extended loan to certain States under drought relief programme ;

(b) if so, details of loan extended by each bank, State-wise ;

(c) terms and conditions of this loan ;

(d) whether certain other agencies in public sector have extended loan to drought affected States ; and

(e) if so, names of such agencies and quantum of loan extended by each agency to each State ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (d). The banks and other all India public financial institutions do not extend loans to State Governments. However, they do extend credit assistance to State financial institutions.

(b), (c) and (e). Do not arise since no direct loans are given to State Governments.

Tobacco Production in Andhra Pradesh

2261. SHRI C. SAMBU : Will the Minister of COMMERCE be pleased to state :

(a) the expected production of tobacco from Andhra Pradesh during 1987-88 ; and

(b) the quantity of tobacco exported from India during 1986-87 ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) about 65 Million kgs.

(b) About 66.8 Million kgs.

Premium on LIC Policies

2262. SHRI KAMLA PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether the Life Insurance Corporation is discriminating poorer policy holders who are getting lesser bonus against better

off clientele who take up money back plans and group insurance schemes and earn larger bonus ;

(b) if so, the percentage of bonus earned by non-profit endowment policies and group insurance schemes as also bonus on all types of LIC policies, with reasons of discrimination ;

(c) the steps taken to remove the discrimination ; and

(d) whether the business of the Life Insurance Corporation is on the decrease and how many people got themselves insured during 1987 as compared to 1986 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir. Life Insurance Corporation of India is not discriminating between poorer and richer classes of policy holders. Although it declares different rates of bonus for Whole Life Policies and Endowment Policies, the same rates of bonus apply to ordinary, policies money back plans and Group Insurance Schemes.

(b) No bonus is allotted to non-profit policies either in ordinary business or in group business. The bonus allotted as per last valuation as on 31-3-1987 is Rs. 72.50 per thousand sum assured under Whole Life Policies and Rs. 58.00 per thousand sum assured under Endowment Policies including money back policies.

(c) Does not arise as there is no discrimination.

(d) There is no decrease in the business of LIC. During the year 1986-87 the LIC issued 38.76 lakhs new policies assuring a total of Rs. 9107.59 crores which is an increase of 17.7% and 28.5% respectively over the corresponding figures last year. For the half year ended 31-10-1987 in current financial year LIC issued 14.26 lakh policies assuring Rs. 3339.96 crores showing increase of 17.6% and 31.4% respectively over corresponding period of last year.

Financial Assistance to Women

2263. SHRI HUSSAIN DALWAI : Will the Minister of FINANCE be pleased to state :

(a) the details of special programmes of poverty alleviation undertaken by the nationalised banks for the welfare of women ;

(b) whether distribution of sewing machines to poor and needy women has received good response in rural areas ; and

(c) the other modes adopted by Government to extend its financial assistance to women ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) A Scheme known as Development of Women and Children in Rural Areas (DWCRA) was formulated to subserve the overall objective of improving the quality of rural families living below the poverty line having women headed households. DWCRA was started on pilot basis in some selected districts in 1982-83 and subsequently its coverage was increased. The financial assistance under DWCRA is available on the lines of Integrated Rural Development Programme (IRDP) for groups of 15-20 women.

(b) Reserve Bank of India has reported that information regarding distribution of a specific category of assets against various bank credit schemes, is not being collected.

(c) Under the programme for setting up of employment and income generating training-cum - employment-cum - production units for women, assistance is given to public sector undertakings/corporations/autonomous bodies for setting up of training-cum-production centres for women. The target groups covered are rural poor women, women from weaker sections (Scheduled Castes/Scheduled Tribes), war widows, widows of employees in public sector undertakings / corporations / autonomous

bodies, women of urban slum areas etc.

Central Excise and Customs Target

2264. SHRI SWAMI PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether the earnings from the Central Excise and Customs fell short of the targets fixed ;

(b) if so, the targets fixed category-wise and reasons for short-fall ;

(c) the steps Government proposed to take to achieve the estimated targets during 1987-88 and in next five years ; and

(d) the position of earnings from the Central Excise and Customs during 1984 to 1986, year-wise ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (c). The revenue collections from Central Excise and Customs have increased by 12.94% during April to October 1987 as compared to the collections during the same period in the previous year. The budget estimates fixed for current year at the time of the presentation of budget for Central Excise (excluding cesses not collected by Department of Revenue) and Customs are respectively, Rs. 16751.80 crores and Rs. 12866.92 crores. The collectors of Customs and Central excise have been asked to put in more efforts to maximise the revenue collection and to recover a major part of the arrears of revenue pending in court cases.

(d) The collection from Central excise duties and Customs duties during the financial years 1984-85 to 1986-87 are given below :

(Rs. in crores)

Year	Central Excise Duties*	Customs Duties
	(Departmental figures)	
1984-85	10916.56	6994.44
1985-86	12928.10	9517.57
1986-87	14485.41	11470.72

*excluding Cesses not collected by Department of Revenue.

India International Trade Fair-1987

2265. SHRI SWAMI PRASAD SINGH : Will the Minister of COMMERCE be pleased to state :

(a) whether the India International Trade Fair has been organised during this month ;

(b) the special attractions of this fair this time ;

(c) the names of countries likely to participate in this fair ;

(d) the names of industries to be represented in this fair country-wise ;

(e) the targets fixed for export of Indian Industrial items this time ;

(f) the targets fixed for import of foreign goods ; and

(g) to what extent this fair will help in exchange of cultural activities of the country ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSI) : (a) Yes, Sir. The India International Trade Fair 1987 was inaugurated by the Prime Minister of India

on 14-11-1987.

(b) The themes identified for projection in IITF '87 are 'Plastics', 'Rubber' and 'Crafts for Exports'. Apart from this, the first four days of the fair and the morning hours of the other week days are exclusively reserved for business visitors.

(c) and (d). The names of countries participating in the fair at national level and at company level are indicated in the Statement attached. About 400 companies from these countries are participating in the fair. The details of products being displayed from each country are also indicated in the statement below.

(e) and (f). No targets have been fixed for exports/imports from the fair. However, the fair offers adequate opportunities for trade promotion.

(g) IITF '87 is predominantly a business-oriented fair. Cultural programmes organised during such international fairs could help to build the image of our country, growing and developing in an environment of modernity and rich heritage. This can also lead to exchange of cultural activities with other countries.

Statement

Details of countries participating in India International Trade Fair, 1987 and products being displayed from them

Name of Country	Products Being Displayed
1	2

Countries Participating at National Level

- | | |
|-------------------|---|
| 1. Afghanistan | : Handicrafts, carpets, clothings, dried fruits, jewelleryes, medicinal herbs, leathers. |
| 2. Bangladesh | : Jute carpets, sarees, stainless steel cutleries, cosmetics, plastic products etc. |
| 3. Bhutan | : Wood panel products, furniture, etc. |
| 4. Brazil | : Photographic display. |
| 5. Bulgaria | : Photographic posters. |
| 6. Czechoslovakia | : Machinery and Engineering products, petrochemical and Pharmaceutical products, Medical and laboratory instruments, Machine tools and forming machine. |

1	2
7. Federal Republic of Germany	: Engineering products, furniture products, Hospital equipment, Rubber products, Plant machine, packaging products, craftsman's sewing machine etc.
8. German Democratic Republic	: Agricultural equipment, transport equipment, Electronic products, Machinery and Engineering products.
9. Hungary	: Machinery for food products, photo-paper films hand-made products etc.
10. Italy	: Machinery and Engineering products, Rubber and Plastic products, small industries, measuring and laboratory instruments, petrochemical and oil products, pharmaceuticals, Raw materials and final products, fine chemicals, organic chemicals and inorganic chemicals, medical equipment, electronics and computer items, tyre moulds, Agriculture equipment, transport equipments, leather products, consumer goods, canned food and fruit juices, jewellery making machines, marine products.
11. Japan	: Electronic goods, and Automobiles etc.
12. Laos	: Agricultural and industrial products.
13. Mexico	: Line pipe products and institutional exhibits (photographics).
14. Nepal	: Forest based products, Agricultural products, Handicrafts, mineral products etc.
15. Pakistan	: Textiles and leather goods, Engineering and Electrical goods, Handicrafts, etc.
16. Poland	: Industrial goods, Agricultural equipments, chemicals and petrochemicals, electronics equipments, coal and oil industries, laboratory equipments, machine tools, computers, Engineering and consulting Tech. services, plastic products.
17. Romania	: Machine tools, Plastic and Rubber Machinery.
18. Singapore	: Electronic and Electrical items, industrial machinery (Photo panel display).
19. Sri Lanka	: Handicrafts and Textiles, Jute products etc.
20. USSR	: Agricultural implements, Automobiles parts and accessories, Chemical raw materials, Machinery and Engineering Products,

1

2

computers, mining industry equipment, Cotton, Silk and flax fabrics, medical tools and instruments, Technology of plastic products, building and furnishing materials, Textile equipment, mining industry, Electrical and household appliances, crafts etc.

- | | |
|-----------------|--|
| 21. Vietnam | : Agriculture and light industrial products, handicrafts, textiles etc. |
| 22. Yugoslavia | : Machines for industry of Plastics, Chemicals and leather processed industry, computers etc. |
| 23. P.L.O. | : Agriculture, Handicrafts and dress accessories. |
| 24. South Korea | : Electronics and Electrical Products, Chemicals Products, Textile and Textile Machinery, Automobiles general machinery etc. |

Countries Participating at Company Level

Name of Country	Products being displayed
1. Austria	PVC windows and doors, Automatic cutters, meat processing machine, ice-cream making machine.
2. Hong Kong	Ice-cream machines, machines for slush and shake.
3. France	Promotional materials, induction moulding machines.
4. Canada	Machinery equipments.
5. U.A.E.	Rubber Products.
6. Switzerland	Knitting machines, ironing presses.
7. Finland	Bronto Hydraulic Platform.
8. U.K.	Telecommunication products, firefighting and rescue platform.
9. Norway	Plastic products.
10. U.S.A.	Tyre retreading machine.

**Instructions to Commercial Banks for
Assisting People Affected by
Drought Land-slides**

2266. SHRIMATI D.K. BHANDARI : Will the Minister of FINANCE be pleased to state :

(a) whether instructions have been issued to commercial banks to provide credit facilities to farmers of drought affected areas ;

(b) if so, details of these instructions ;

(c) whether Government propose to issue instructions for credit facilities by commercial banks to people affected by frequent land-slide in hill areas ;

(d) if so, the details thereof ; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Reserve Bank of India (RBI) has issued detailed guidelines to the commercial banks for providing credit assistance to the persons affected by drought/floods for raising alternative crops or fodder, production of seeds, minor irrigation purposes, general purpose consumption loans to small and marginal farmers and other weaker sections upto Rs. 500/- and for setting up of fair price shops. The guidelines also envisage conversion of short term loans into medium term loans and reschedulement of investment credit. Further, in areas affected by droughts successively for three years or more banks have been advised to defer recovery of the amount falling due on account of principal as well as interest in the current year, (July 87-June 88) for a period of two years or till the next normal year, if it occurs earlier, on merits of each case. Banks have also been advised to charge a concessional rate of interest of 10% per annum on short term loans upto Rs. 5000 in the case of farmers who have suffered three or more consecutive drought/floods and whose loans have been converted/rescheduled.

(c) to (e). The standing guidelines issued to Reserve Bank of India (RBI) for relief measures by banks in areas affected by natural calamities, is applicable to land-slides. These guidelines envisage, inter-alia, conversion of short term production

loans into medium term loans, rescheduling/postponement of existing term loan instalments, provision of additional need based crop loans/working capital and waiver of shortfall in margin and giving time to borrowers to provide margin from future cash generation.

**Payment of D.A. to Central Government
Employees**

2267. SHRI PRATAPRAO B. BHOSALE : Will the Minister of FINANCE be pleased to state :

(a) the recommendations made by Fourth Pay Commission regarding Dearness Allowance ;

(b) whether some payment of Dearness Allowance has been made to Government employees in accordance with these recommendations ; and

(c) if so, the details of payment made rate-wise and instalment-wise since implementation of these recommendations ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) The formula suggested by the Fourth Pay Commission for grant of Dearness Allowance is that compensation for price rise may be paid twice a year on the basis of percentage increase in whole numbers in the All India Consumer Price Index Numbers for Industrial Workers (General) (Base 1960=100) for the periods ending June and December each year over the Index Average of 608, with the salary for September and March respectively. The Commission has recommended for 100% neutralisation for employees drawing basic pay upto Rs. 3500/-, 75% for basic pay between Rs. 3501/- and Rs. 6000/- and 65% for basic pay above Rs. 6000/- subject to marginal adjustments. The recommendation of the Commission have been accepted by the Government subject to the modification that compensation for price rise would be paid from 1st July with salary for September and 1st January with salary for March.

(b) Yes, Sir.

(c) The payment of D.A. has since been made in cash on the above pay ranges with effect from 1-7-1986 at the rates of 4%.

2% and 2% of basic pay and with effect from 1-1-1987 at the rates of 8%, 6% and 5% respectively.

Export of Betel Leaves

2268. SHRI SATYAGOPAL MISRA : Will the Minister of COMMERCE be pleased to state the quantity and value of betel leaves exported to different countries during 1986-87 ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : The quantity and value of betel leaves exported to different countries during 1986-87 are 271.59 metric tonnes valued at Rs. 50.43 lakhs.

Conversion of Foreign Currency Loan Into Rupee Loan

2269. DR. B.L. SHAILESH : Will the Minister of FINANCE be pleased to state :

(a) whether there is a move to inculcate India's Industrial borrowers from the risk of international exchange rate fluctuations by converting the entire foreign currency loan to rupee loans ;

(b) if so, the broad details of this scheme ; and

(c) when will it be given effect to ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (c). No, Sir. However, the all-India term-lending institutions are examining certain proposals to provide cover against the risk of adverse exchange rate movements to industrial borrowers in respect of their foreign currency loans.

Delay in Return of Collected Exhibits from Industrial Units

2270. SHRI SURESH KURUP : Will the Minister of COMMERCE be pleased to state :

(a) whether the Trade Fair Authority has collected exhibits from industrial units all over the country for participating in an exhibition at Riyad in 1986 ;

(b) if so, whether it is a fact that the Trade Fair Authority has not yet returned

those items to the industrial units ; and

(c) if so, the reasons for the delay ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c). The Trade Fair Authority of India had planned to organise an exclusive Indian Exhibition at Riyadh (Saudi Arabia) during December, 1985. Several companies from both public and private sectors came forward to take part in the exhibition and tendered their exhibits to TFAI for display in the exhibition. However, the proposed exhibition at Riyadh could not be organised on account of unavoidable circumstances and it was decided to organise a similar exhibition at Muscat during April, 1986. Therefore, the exhibits meant for the Riyadh Exhibition were diverted to Muscat Exhibition with the approval of the concerned participants. The exhibition at Muscat proved to be a success. All the unsold exhibits of the Muscat Exhibition have since been returned to the participants, except the exhibits of M/s. Isaac Enterprises (Engineers), Kottayam, which were surrendered to the Customs Authorities at Bombay according to instructions of the Government of Kerala under whose aegis the firm took part in the exhibition.

Deemed Export Status to Garment Manufacturers

2271. SHRI NARSING SURYA-WANSHI : Will the Minister of TEXTILES be pleased to state :

(a) whether Government are considering a proposal for according deemed export status to garment manufacturers if they sell to exporters ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) No, Sir.

(b) Does not arise.

Export of Handloom Jacquard

2272. SHRI C. SAMBU : Will the Minister of TEXTILES be pleased to state :

(a) the amount of handloom cloth

jacquard exported to Nigeria during 1986-87 ; and

(b) the details of the steps proposed to be taken to boost the export of handloom jacquard ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA) : (a) According to Handloom Export Promotion Council, no handloom jacquards are exported to Nigeria at present.

(b) The various steps taken to step up handloom exports include sending trade delegations, conducting market studies and market research, releasing advertisements in foreign trade magazines and distribution of publicity material, participation in fairs in major markets, quality improvement of handloom products and grant of Cash Compensatory Support.

Modernisation of Silk Mill in A.P.

2273. SHRI C. SAMBU : Will the Minister of TEXTILES be pleased to state :

(a) whether there is any proposal under consideration of Government to revive silk cooperative spinning mills ; and

(b) if so, the steps taken/proposed to be taken to modernise silk co-operative spinning mill at Chirala in Prakasam District of Andhra Pradesh ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) and (b). There is no proposal under consideration of Government to revive any silk cooperative spinning mill either at Chirala in Prakasam District of Andhra Pradesh or any other place. However, during V Plan Period Chirala Weavers Cooperative Spinning Mill Ltd., Chirala was given Central assistance in the form of share capital participation for its expansion/modernisation.

Premature Withdrawals of Fixed Deposits
of Handloom Export Promotion
Council

2274. SHRI K. RAMAMURTHY : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that premature withdrawals have been made from the fixed Deposits of Handloom Export Promotion Council for code and non code activities during the years 1983-84, 1984-85, 1985-86 and 1986-87 ;

(b) if so, the details thereof and the reasons therefor ; and

(c) whether prior approval of the Ministry had been obtained ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) and (b). Yes, Sir. The Handloom Export Promotion Council has informed that they had made premature withdrawals from the fixed deposits during 1985-86 and 1986-87 in order to meet the various approved items of administrative and Promotional expenditure. These withdrawals were necessitated because the Council had not received grant-in-aid from the Government from 1982-83 onwards due to non-finalization of its accounts and annual Reports.

(c) Prior approval of the Government for premature withdrawal of the fixed deposits was not necessary.

Consumer Price Index

2275. SHRI SYED SHAHABUDDIN : Will the Minister of FINANCE be pleased to state :

(a) consumer price index at the beginning of the month during the current financial year ;

(b) the variation in the rate of inflation month by month during this year ; and

(c) the steps taken by Government to control the rate of inflation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). Data of monthly movement of All India Consumer Price Index Number for Industrial Workers (Base 1960=100) during the current financial year (upto September, 1987) is given below ;

Month	CPI	Percentage change over the month
March, 87	686	No change
April, 87	691	+0.7
May, 87	703	+1.7
June, 87	715	+1.7
July, 87	724	+1.7
August, 87	736	+1.7
September, 87	745	+1.2

+ Latest available.

(c) Government's anti-inflationary policy includes effective demand and supply management through strengthening of public distribution system, allocation of additional stocks of foodgrains to drought affected areas, augmenting domestic availability of essential commodities like sugar, edible oils, pulses and mopping up of excess liquidity in the system. Central Government has also advised the State Governments to take strict action against traders indulging in profiteering, hoarding and blackmarketeering.

[Translation]

Alleged Irregularity in Janata Cloth Scheme

2276. SHRI ABDUL HANNAN ANSARI : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that irregularity on large scale is going on in Janata Cloth Scheme and Government funds are being misused by showing bogus weaving and sales ;

(b) if so, the details thereof ;

(c) whether the attention of Union Government has been drawn to this state of affairs by the State Governments ; and

(d) if so, the reaction of Union Government thereto ?

THE DEPUTY-MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) No, Sir.

(b) Does not arise.

(c) and (d). No State Government has so far reported any irregularity in Janata Cloth Scheme or any kind of misuse of Government funds. However, some complaints of irregularities committed by some implementing agencies in Bihar were brought to the notice of the Central Government by some members of the State and Central legislature. The Government of Bihar was asked to investigate the matter and send detailed reports. That Government have already initiated an enquiry. Irregularities in the production and sale of Janata Cloth by an implementing agency in Andhra Pradesh were reported in the Press and the Andhra Pradesh Government has instituted an enquiry into the matter.

[English]

Losses in Carpet-backing Cloth to US

2277. SHRI ZAINAL ABEDIN : Will the Minister of TEXTILES be pleased to state :

(a) the loss suffered by Government due to violation of canalisation and statutory minimum price norms relating to sales of carpet-backing cloth to the United States in 1987 ;

(b) the remedial measures initiated in this regard ; and

(c) whether any export agency was charged in regard thereto ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) to (c). The

exports of Carpet Backing Cloth (CBC) to USA are canalised through STC.

In order to ensure that the canalisation norms are not violated and the goods reach the declared destination, a circular has been issued to all shippers who got their export contracts for CBC registered with Jute Commissioner from November, 1986 to furnish a certificate duly countersigned by the Customs Authorities of the country of destination alongwith corresponding registration number and date etc. For future the shippers have been informed that such contracts will be registered by Jute Commissioner only if the same are accompanied by a written undertaking about submission of Landing certificate duly countersigned by custom authorities of country of ultimate destination within 20 days from date of arrival of goods.

**Contract with U.K. for Sea Eagle
Missiles**

2278. SHRI PRAKASH CHANDRA :

SHRI DHARAM PAL SINGH
MALIK :

SHRI M. RAGHUMA
REDDY :

Will the Minister of DEFENCE be pleased to state :

(a) whether Government have signed a contract with the U.K. for the purchase of Sea Eagle Missiles during recent past ;

(b) if so, the terms of the contract ; and

(c) the foreign exchange likely to be spent ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a) Yes, Sir.

(b) and (c). It would not be in the public interest to disclose either details of the terms and conditions of the Agreement or the likely foreign exchange outgo under the contract.

Foreign Exchange Reserves

2279. SHRI SOMNATH RATH :

SHRI YASHWANTRAO
GADAKH PATIL :

Will the Minister of FINANCE be pleased to state :

(a) whether the foreign exchange reserves has come down ;

(b) if so, the reasons therefor ; and

(c) steps being taken to boost up the foreign exchange reserves ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) and (b). The foreign exchange reserves (excluding Gold and Special Drawing Rights) declined by Rs. 755 crores in the period April to October, 1987 as compared to a decline of Rs. 880 crores in the corresponding period last year. The balance of payments data with the details of individual factors affecting the movements in foreign exchange reserves during this period are not yet available. Provisional trade data pertaining to the current year available so far indicate a narrowing down of the trade deficit as compared to the corresponding period of the previous year.

(c) The level of foreign exchange reserves is continuously kept under review with a view to ensuring that the country's commitments with regard to debt service and requirement of goods and services are met. The present level of reserves is considered to be satisfactory.

Supply of Defence Items by U.S.

2280. SHRI JAGANNATH PATT-
NAIK :

SHRI SRIBALLAV PANI-
GRAHI :

SHRI K.S. RAO :

Will the Minister of DEFENCE be pleased to state :

(a) whether Government have made a request to the US Government to supply some more modern defence items ;

(b) if so, whether U.S. Government have offered its co-operation in this regard

alongwith supplying technology in this regard ; and

(c) the details in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a) to (c). During the visit of the Prime Minister to USA, it was agreed to expand defence cooperation along the lines which have already been established in working together with the United States of America on certain defence related technologies like the Light Combat Aircraft (LCA) Project. The two sides also agreed to explore and identify other areas of defence cooperation.

Assessing Problems of Indian Stock Market

2281. DR. B.L. SHAILESH : Will the Minister of FINANCE be pleased to state :

(a) whether he had summoned major Stock Exchange Presidents for a high-level meeting early this month to assess for himself the problems that have beset the Indian stock markets ; and

(b) if so, the outcome thereof and what measures were explored to improve the health of the market particularly in the context of the recent collapse in stock markets in Wall Street London, Tokyo, Hong Kong and Sydney and follow-up of the Dave Committee Report ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) The Finance Minister had met the Presidents/representatives of recognised Stock Exchanges in the country in a meeting held on 9th November, 1987.

(b) Various procedural bottlenecks in the functioning of stock markets were discussed and remedial action was initiated. The recent changes arising from the implementation of the Working Group headed by Dr. S.A. Dave were reviewed. Decisions were also taken to liberalise underwriting by All India Financial and Investment Institutions. Advances by banks to shareholders against shares were also reviewed. It was decided to liberalise loans to indi-

viduals by Banks against shares and debentures to cover purchases in the secondary market.

Increase in Rent of Premises Occupied by MMTC in Express Building in New Delhi

2282. SHRI P. KOLANDAIVELU : Will the Minister of COMMERCE be pleased to state :

(a) whether an inquiry has been ordered into the unusual increase in rent of the premises in the Express Building of the Minerals and Metals Trading Corporation ; and

(b) if so, the outcome thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) and (b). CBI is making an inquiry into the increase in rent of the premises occupied by Minerals and Metals Trading Corporation of India Limited in the Indian Express Building.

Acquisition of Blue Sea Capability for Navy

2283. SHRIMATI KISHORI SINHA : Will the Minister of DEFENCE be pleased to state :

(a) whether Government are aiming at acquiring blue sea capability for the Indian Navy ;

(b) if so, whether this would involve having several aircraft carriers and submarines ; and

(c) if so, whether a long term plan has been formulated ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a) to (c). The Indian Navy is being strengthened and modernised in keeping with the emerging threat perceptions, to ensure defence preparedness at all times.

Frauds in SBI Branches in Uttar Pradesh

2284. DR. CHANDRA SHEKHAR TRIPATHI : Will the Minister of FINANCE be pleased to state :

(a) the number of frauds committed ;

during last three years in all State Bank of India branches in Uttar Pradesh ;

(b) whether cases of frauds in State Bank of India are increasing enormously particularly in district Basti (Uttar Pradesh) ; and

(c) if so, the number of frauds committed from 1984 to 1987 in Basti district and what action has been taken to penalise officials responsible and measures adopted to check such frauds in future ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) State Bank of India has intimated that the number of cases of frauds reported in all its branches in Uttar Pradesh during the years 1985, 1986 and 1987 (till October) is as under :

1985	107
1986	123
1987 (Till October)	59

(Data provisional)

(b) and (c). State Bank of India has reported that the number of cases of frauds has not increased enormously, particularly in Basti District of Uttar Pradesh. The Bank has further reported that the number of cases of frauds committed in this district during the years 1984, 1985, 1986 and 1987 (till October) is 4, 3, 1 and 2 respectively. The Bank has also reported that whenever such cases come to light they are reported to Police/CBI for investigation and further action is taken in terms of their investigation reports/departamental enquiry. The Bank has also issued instructions to its branches to ensure thorough checking of their books and to follow the laid down instructions with a view to checking such frauds in future.

[Translation]

Corruption in Bhagirath Rural Bank in U.P.

2285. SHRI KAMLA PRASAD RAWAT : Will the Minister of FINANCE be pleased to state :

(a) whether complaints have been received about corruption in the Bhagirath Rural Bank functioning in district Sitapur in Uttar Pradesh ;

(b) if so, whether Government have made inquiry into those complaints ; and

(c) if so, the details thereof and the action taken or proposed to be taken against the persons found guilty during investigation and the nature of punishment awarded to them ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Complaints containing allegations of malpractices and corruption against the former and the present Chairman and staff of Bhagirath Gramin Bank, Sitapur (U.P.) had been received by Government.

The complaint against the former Chairman was investigated by the Regional Office of NABARD at Lucknow and as a result of the inquiry the then Chairman was repatriated to the sponsor bank and disciplinary proceedings are reported to have been instituted against him.

Another complaint against the present Chairman was got investigated through the NABARD and Allahabad Bank who did not find any substance in the same.

One more complaint made by an Ex. Member of Parliament is under investigation by the Allahabad Bank and the Bank has sought some more time for completion of the inquiry.

[English]

Import of Aluminium

2286. SHRIMATI GEETA MUKHERJEE : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the international price of aluminium has been fast shooting up ;

(b) if so, what is the difference in domestic and international aluminium price ; and

(c) what is the total annual requirement of aluminium and the total import during the last three years ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) Yes, Sir.

(b) The international price in September, 1987 was Rs. 22,800 (approximately) per tonne. The present domestic ex-factory

sale price of aluminium ranges between Rs. 23,828/- and Rs. 24,653/- per tonne.

(c) Total estimated consumption by Actual Users and imports of aluminium by MMTC during the last three years are given below :

Year	(Qty. in tonnes)	
	Consumption	Imports
1984-85	3,21,672	47,186
1985-86	3,10,000	20,280
1986-87	3,30,000	64,890

[Translation]

Seizure of Heroin and Opium

2287. SHRI KAMLA PRASAD RAWAT : Will the Minister of FINANCE be pleased to state :

(a) the quantity of heroin and opium seized during 1987 ;

(b) the number of smugglers arrested ;

(c) whether arrested smugglers have foreign links ; and

(d) if so, the names of such countries ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Quantities of heroin and opium seized during 1987 (upto October) are as under :

	Quantity (kgs.)
1. Heroin	2,294
2. Opium	2,174

(Figures are provisional and rounded off to the nearest kilogram).

(b) to (d). According to information available, 1,227 persons have been arrested for various drug-trafficking offences.

A number of persons arrested have been found to have links with Pakistan, Sri Lanka

Canada, Holland, West Germany, Spain, Ghana, Nigeria, etc.

[English]

Financial Powers to States

2288. SHRI K. MOHANDAS : Will the Minister of FINANCE be pleased to state :

(a) whether there is a general demand from the States for more financial powers ;

(b) if so, Government's reaction thereto ;

(c) whether the deficit in the budgets of most of the States is due to narrow resource, base ; and

(d) if so, the steps contemplated in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (d). Demands from States for more financial powers have been considered by the Commission on Centre-State Relations set up on 9th June, 1983 under the Chairmanship of Justice R.S. Sarkaria. Resource base of the States as well as views of the Central Government there-on have also been considered by the Commission. The Commission has submitted its Report to the Government on 27-10-1987, which is under consideration.

12.00 hours

(Interruptions)

[English]

MR. DEPUTY-SPEAKER : You take your seats, I will call each one of you. First I will see the Adjournment Motions which some hon. Members have given. I want to dispose of them first. Then I will come to others. First Saifuddin Chowdhary. I will call according to the order.

SHRI SAIFUDDIN CHOWDHARY (Katwa) : Sir, I have given an Adjournment Motion on the bomb attack on our High Commission in Bangladesh, in Dhaka. This happened when on 13th November President Ershad said that behind the agitation, there was one foreign power, which he did not name. After this bomb attack took place, the Government there is trying to crush the agitation...(Interruptions).

MR. DEPUTY-SPEAKER : Mr. Saifuddin Chowdhary, we have received Calling Attention notice also regarding this matter.

SHRI SAIFUDDIN CHOWDHARY : Now he is trying to divert the attention of the people and to whip up anti-Indian feelings there...(Interruptions).

MR. DEPUTY-SPEAKER : Okay, take your seat. We have received a Calling Attention also regarding this matter.

SHRI SAIFUDDIN CHOWDHARY : I have also given a Calling Attention notice.

MR. DEPUTY-SPEAKER : All right, we will see what can be done. It is not a matter for Adjournment Motion. Please take your seat now.

SHRI SAIFUDDIN CHOWDHARY : What about Calling Attention, Sir ?

MR. DEPUTY-SPEAKER : We will consider it.

SHRI BASUDEB ACHARIA : On Monday you allow it, Sir.

MR. DEPUTY-SPEAKER : We will consider it.

DR. CHINTA MOHAN (Tirupati) : Sir, the gold and silver prices have gone up

very high. Ten grams of gold was costing Rs. 2,300, but yesterday it has gone up to Rs. 3,600. In the same way, silver, which was costing Rs. 4,200 per kg., has gone up to Rs. 6,400...(Interruptions).

MR. DEPUTY-SPEAKER : Whatever it is, it is not a matter for Adjournment Motion...(Interruptions).

DR. CHINTA MOHAN : Black-money is floating in the city and the black-marketeers are making money out of it. We want a statement from the Minister, Sir...(Interruptions).

MR. DEPUTY-SPEAKER : Okey, you take your seat. Next, Shri Jaipal Reddy.

SHRI S. JAIPAL REDDY (Mahbubnagar) : I am not pressing, Sir.

PROF. MADHU DANDAVATE (Rajapur) : Sir, today's newspapers have published a very disturbing news. Yesterday, Amnesty International's Report has been published and the substance has appeared today. It has shown that there is evidence that the PAC has indulged in killing of dozens of persons. Twenty-one names are available with them...(Interruptions).

MR. DEPUTY-SPEAKER : It is a State subject.

PROF. MADHU DANDAVATE : The dead bodies in the communal violence in Hashimpura were thrown into the river and canal. Evidence has been produced. They have the eye witness evidence...(Interruptions).

MR. DEPUTY-SPEAKER : We will find out the facts.

PROF. MADHU DANDAVATE : The Government must at least make a statement giving their reaction on the Amnesty International's Report on Hashimpura...(Interruptions). The Home Minister had made a public commitment to the delegation of the Members of Parliament when they had met him...(Interruptions).

MR. DEPUTY-SPEAKER : I will find out the facts.

SHRI DINESH GOSWAMI (Guwahati) : Sir, ask the Home Minister to make a statement.

PROF. MADHU DANDAVATE : Direct him to make a statement, Sir.

MR. DEPUTY-SPEAKER : I will find out. The Home Minister is not here.

(Interruptions)

MR. DEPUTY-SPEAKER : I will consider it. I will pass on your information.

PROF. MADHU DANDAVATE : Have you read the Report, Sir ? The Report gives eye witness evidence. People have been caught red-handed. Twenty-one names have been given...(Interruptions).

PROF. MADHU DANDAVATE : When atrocities have taken place on such a scale, the Home Minister should stick to his assurance and make a statement. Kindly direct the Home Minister to make a statement.

MR. DEPUTY-SPEAKER : I will find out.

[Translation]

SHRI V. TULSIRAM (Nagarkurnool) : Mr. Deputy-Speaker, Sir, as per a news-item in the Hindustan Times yesterday, Rs. 14 lakhs are being spent for supplying electricity to Malana village in Himachal Pradesh and the poles have been installed. Unfortunately one of the poles is near the house of a Harijan and the entire village has refused to accept the electric connections in their houses on the plea that the electric current is passing through the pole installed near the house of a Harijan.

[English]

MR. DEPUTY-SPEAKER : This is a State Subject.

[Translation]

SHRI V. TULSIRAM : It is an important issue and the temple priest is inciting the people there. The entire village has refused to accept connections because the electric current is passing through the pole installed near the house of a Harijan. This is a serious matter and the Government should take it seriously and initiate action against the temple priest.

[English]

MR. DEPUTY-SPEAKER : It is not a

matter for Adjournment Motion. Give it in some other form, not Adjournment Motion.

[Translation]

SHRI V. TULSIRAM : The Home Minister should make a statement.

SHRI SULTAN SALAHUDDIN OWAISI (Hyderabad) : Mr. Deputy-Speaker, Sir, the House should discuss the report of the Amnesty International.

[English]

SHRI G.M. BANATWALLA (Ponnani) : The Home Minister should make a statement.

(Interruptions)

MR. DEPUTY-SPEAKER : Please take your seat. I will call you later.

DR. G.S. RAJHANS (Jhanjharpur) : Mr. Deputy-Speaker, Sir, the British Parliament has passed an Immigration law a couple of days ago which will adversely affect the people of Indian origin there. Only a couple of days ago this law was passed in England. This is an important matter and this should be discussed in this House.

MR. DEPUTY-SPEAKER : You give a notice.

DR. G.S. RAJHANS : I have already given notice.

SHRI SHANTARAM NAIK (Panaji) : Sir, I do not know how adjournment notices take priority over the privilege things. I have given a notice of breach of privilege of this House by Mr. Arif Mohammad Khan. Are you not interested in protecting the image of this House ? He said "the Speaker is** These words are there. I have given notice three days back. How much time will it take to investigate the matter ? There is a *prima facie* case and action must be taken against him. He has committed contempt of the House and action should be taken against him for bringing down the dignity of the House.

MR. DEPUTY-SPEAKER : Already what Mr. Arif Mohammad Khan said has

been expunged.

SHRI SHANTARAM NAIK : Expunction is no substitute for punishment. That is different. The Speaker can still punish after expunction. For breach of privilege, punishment has to be given. I can give precedents. Simply because it has been expunged can he be free? Punishment has to be given.

MR. DEPUTY-SPEAKER : It is not on record. There is no point in discussing it. I cannot allow.

*(Interruptions)**

DR. DATTA SAMANT (Bombay South Central) : Sir, the Government is considering to hand over the sick industrial units, under the management of the public sector, to the private sector. This is privatisation.

MR. DEPUTY-SPEAKER : You can give in writing.

DR. DATTA SAMANT : I have already given a Calling Attention notice.

MR. DEPUTY-SPEAKER : I will see it.

(Interruptions)

SHRI G.M. BANATWALLA : Mr. Deputy-Speaker, Sir, about Meerut and Hashimpura massacre, the least that could be done about this disgraceful thing is to ask the Home Minister to make a statement and we must have a full discussion on this. This is a matter which cannot be ignored like this. You must direct the Home Minister to make a statement, and then allow a discussion on this. That is the least that can be done.

MR. DEPUTY-SPEAKER : I will find out the facts from the Minister and then let you know.

[Translation]

SHRI MOHD. MAHFOOZ ALI KHAN (Etah) : Ask the Minister to make a statement.

(Interruptions)

[English]

SHRI DINESH GOSWAMI (Guwahati) : Sir, this report is about the communal disturbances. The Home Minister should make a statement.

(Interruptions)

PROF. MADHU DANDAVATE : Meerut riots were discussed in the House, P.A.C.'s role was discussed in the House...

MR. DEPUTY-SPEAKER : I will find out from the Home Minister.

(Interruptions)

SHRI DINESH GOSWAMI : The Report may create communal conflagration and the Home Minister should come and make a statement.

(Interruptions)

[Translation]

SHRI MOHD. MAHFOOZ ALI KHAN : People are dying there.

(Interruptions)

[English]

MR. DEPUTY-SPEAKER : I will ask the Home Minister. The Minister is not here. I will find out the facts.

Now, Papers Laid on the Table. Mr. Janardhana Poojary.

12.10 hrs.

PAPERS LAID ON THE TABLE

[English]

Notification under Wealth Tax Act, Central Excise and Salt Act, Custom Act, Commission of Enquiry Act and Central Excise Rules, Agreements entered into by R.B.I. with Governors of Arunachal Pradesh, Goa and Mizoram and Notification re. issue of Relief Bonds, 1987

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : I beg to lay on the Table :

- (1) A copy of the Wealth-tax (Amendment) Rules, 1987 (Hindi and English versions) published in Notification No. S.O. 973 (E) in Gazette of India dated the 4th November, 1987 under sub-section (4) of section 46 of the Wealth-tax Act, 1957.

[Placed in Library. See No. LT-5063/87]

- (2) A copy of the Central Excise (Eighth Amendment) Rules, 1987 (Hindi and English versions) published in Notification No. G.S.R. 897 (E) in Gazette of India dated the 9th November, 1987 together with an explanatory memorandum under sub-section (2) of section 38 of the Central Excises and Salt Act, 1944.

[Placed in Library. See No. LT-5064/87]

- (3) A copy of Notification No. S.O. 978 (E) (Hindi and English versions) published in Gazette of India dated the 10th November, 1987 together with an explanatory memorandum regarding revised rate of exchange for conversion of Australian Dollar into Indian currency or *vice-versa* under section 159 of the Customs Act, 1962.

[Placed in Library. See No. LT-5065/87]

- (4) A copy of Notification No. S.O. 872 (E) (Hindi and English versions) published in Gazette of India dated the 1st October 1987 making certain amendments to Notification No. S.O. 328 (E) published in Gazette of India dated the 6th April, 1987 issued under section 3 of the Commissions of Inquiry Act, 1952.

[Placed in Library. See No. LT-5066/87]

- (5) A copy each of the following Notifications (Hindi and English versions) issued under the Central Excise Rules, 1944 :

- (i) G.S.R. 890 (E) published in Gazette of India dated the 3rd November, 1987 together with an explanatory memo-

randum making certain amendments to Notification No. 272/79-CE dated the 18th October, 1979 so as to permit removal of Capital Goods from Kandla Free Trade Zone to the Domestic Tariff Area (DTA) on payment of duty on the depreciated value of the Capital Goods.

- (ii) G.S.R. 898 (E) published in Gazette of India dated the 9th November, 1987 together with an explanatory memorandum seeking to provide that the excise duty on rock phosphate, in any form, falling under sub-heading No. 2505.00 of the Schedule to the Central Excise Tariff Act, 1985 and used as a fertiliser or as an input in the manufacture of fertilisers, shall not be required to be paid during the period from 28th February to 7th October, 1986.

- (iii) G.S.R. 899 (E) published in Gazette of India dated the 9th November, 1982 together with an explanatory memorandum seeking to provide that the excise duty on lime, falling under sub-heading No. 2505.00 of the Schedule to the Central Excise Tariff Act, 1985 and used in the factory of production in the manufacture of calcium carbonate, shall not be required, to be paid during the period from 28th February to 7th December, 1986.

[Placed in Library. See No. LT-5067/87]

- (6) A copy each of the Agreements (Hindi and English versions) entered into by the Reserve Bank of India with the Governors of Arunachal Pradesh, Goa and Mizoram under sub-section (2) of section 21A of the Reserve Bank of India Act, 1934.

[Placed in Library. See No. LT-5068/87]

- (7) A copy of Notification No. F. 4 (31)-W & M/87 (Hindi and English versions) dated the 17th November, 1987 regarding issue of 9 per cent Relief Bonds, 1987 from 1st December, 1987.

[Placed in Library. See No. LT-5069/87]

Notifications under Imports and Exports (Control) Act

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : I beg to lay on the Table a copy each of the following Notifications (Hindi and English versions) issued under section 3 of the Imports and Exports (Control) Act, 1947 :

- (1) The Exports (Control) Fourteenth Amendment Order, 1987 published in Notification No. S.O. 793 (E) in Gazette of India dated the 25th August, 1987.
- (2) The Exports (Control) Fifteenth Amendment Order, 1987 published in Notification No. S.O. 826 (E) in Gazette of India dated the 15th September, 1987.
- (3) S.O. 921 (E) published in Gazette of India dated the 14th October, 1987 prohibiting the imports and exports of all goods, whether directly or indirectly into or from any port or place in India from or to any place in Fiji.

[Placed in Library. See No. LT-5070/87]

[English]

SHRI S. JAIPAL REDDY (Mahbubnagar) : Sir, we have tabled a privilege motion against Mr. H.K.L. Bhagat. What happened to it ?

MR. DEPUTY-SPEAKER : Already we have written a letter to the Minister. It has not yet been replied. After getting the reply, we will let you know.

SHRI S. JAIPAL REDDY : There is the question of urgency, Sir. How much time will it take ?

(Interruptions)

MR. DEPUTY-SPEAKER : Already we have written. We have to get the reply. Please order.

Mr. Brahma Dutt may make the statement.

SHRI G.M. BANATWALLA (Ponnani) : How can we remain as silent spectators ? So, we walk out as a protest. (Interruptions). You are not giving any directive to the Home Minister.

(Interruptions)

PROF. MADHU DANDAVATE (Rajapur) : If the Home Minister is not prepared to make a statement on the Hashimpura incident after the Amnesty International report, in protest we would like to walk out.

MR. DEPUTY-SPEAKER : I have already told, I will find out the facts.

SHRI G.M. BANATWALLA : Why can't you direct the Home Minister to make a statement ?

MR. DEPUTY-SPEAKER : I can't direct him.

(Interruptions)

SHRI DINESH GOSWAMI (Guwahati) : Let him make a statement. That is the minimum that should be done.

PROF. MADHU DANDAVATE : Ask the Home Minister to make a statement.

SHRI BASUDEB ACHARIA (Bankura) : Sir, we are walking out in protest.

PROF. MADHU DANDAVATE : We walk out in protest because you are not directing the Home Minister to make a statement.

SHRI G.M. BANATWALLA : Sir, we walk out as a protest.

Shri Basudeb Acharia and some other hon. Members then left the House.

[Translation]

SHRI C. JANGA REDDY (Hanamkonda) : Mr. Deputy-Speaker, Sir, our area

has been twice hit by a cyclone. There is nobody to purchase paddy. As a result the farmer is perturbed. FCI is also not helping him.

(Interruptions)

[English]

MR. DEPUTY-SPEAKER : I have called the Minister Shri Brahma Dutt. Let him make the statement.

PROF. SAIFUDDIN SOZ (Baramulla) : Sir, I am not joining the walk-out. (Interruptions). The Home Minister should make a statement. Communal menace should be eradicated from the country.

(Interruptions)

STATEMENT RE. FIRE INCIDENT IN
THE VISAKH REFINERY OF
HINDUSTAN PETROLEUM
CORPORATION LIMITED
ON 11-11-1987

[English]

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHMA DUTT) : Sir, I have received information that there was a fire at the sea water pump house basin of the Visakh Refinery of HPCL at around 11.30 p.m. on 11th November, 1987. This pump house supplies sea water for cooling to the various units of the refinery and is located approximately 4.5 Kms. away from the refinery. Due to this fire the pump house has been damaged. As a result the supply of sea water to the refinery was cut-off and the various refinery units had to be shut down. Some product lines running over a trestle approximately 150 metres away from the pump house also got engulfed in the fire.

The refinery personnel took prompt action to shut down the refinery and also start fire fighting work. Assistance was taken from the local civil administration, the eastern naval command as well as the neighbouring industries. As a result of this it was possible to put out the fire within a short period. The fire was controlled within

about 3 hours.

As a result of the fire, some of the product pipelines running at a distance of about 150 metres as well as an old 20 inch crude pipeline located near the pump house have also been damaged. There has, however, been no damage to the main operating units of the refinery or to the marketing terminals of HPCL and IOC. There has also been no damage to any property belonging to a third party. There has been no loss of life or injury to any person. Preliminary estimates indicate that the loss in equipment is approximately Rs. 60-70 lakhs and in product approximately Rs. 50 lakhs.

As to the cause of fire preliminary investigation also indicates that some oil floating on the surface of the sea in the inner harbour channel, due to very high wind velocity prevailing at that time, travelled through the water channel to the sea water pump house. Some ignition led to the fire.

The product demand of the area is being met from the existing stock available in the refinery tanks as well as in the HPCL and IOC marketing terminals. Plans have also been made to supplement the supply of products from Madras and Haldia if the need arises. Round the clock repair work has been undertaken. The new crude distillation unit commissioned recently had already been put back on stream on 17th. It is expected that the other units of the refinery would be put back on stream within the next few days. A technical Committee headed by the Director (Production) of HPCL has been constituted to investigate the causes of the fire and suggest remedial measures to be taken to prevent such accidents in future. A representative of the Oil Industry Safety Directorate will also be associated in this enquiry.

I assure the House that all steps will be taken to ensure not only the normal availability of products in the area but also to recommission the plant within the quickest possible time.

MR. DEPUTY-SPEAKER : Now, Mr. H.K.L. Bhagat.

[Translation]

SHRI C. JANGA REDDY : Listen to me, Sir.

(Interruptions)

[English]

MR. DEPUTY-SPEAKER : How can you, in the middle of the proceedings, come and raise any matter? I allowed other Members and when they were raising their points you should have come at that time. Why are you raising it now? I can't allow.

(Interruptions)

12.15 hrs.

BUSINESS OF THE HOUSE

[English]

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF FOOD AND CIVIL SUPPLIES (SHRI H.K.L. BHAGAT) : With your permission, Sir, I rise to announce that Government Business in this House during the week commencing 23rd November, 1987, will consist of :

- (1) Consideration of any item of Government Business carried over from today's Order Paper.
- (2) Consideration and passing of :
 - (a) The Representation of the People (Third Amendment) Bill, 1987 as passed by Rajya Sabha.
 - (b) The Constitution (Fifty-Sixth Amendment) Bill, 1987.
 - (c) The Railways Traffic Claims Tribunal Bill, 1987.
 - (d) The Metro Railways (Construction of Works) Amendment Bill, 1987, as passed by Rajya Sabha.
 - (e) The Authorised Translations (Central Laws) Amendment

Bill, 1987 as passed by Rajya Sabha.

- (f) The Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Amendment Bill, 1987.

DR. CHINTA MOHAN (Tirupati) : Sir, the following matters may please be discussed next week :

1. Drug policy, drug pricing and non-availability of certain drugs and vaccines.
2. Electoral reforms and minimum age limit for voting.

[Translation]

SHRI MADAN PANDEY (Gorakhpur) : Mr. Deputy-Speaker, Sir, 40 years have passed since we achieved Independence. All the freedom fighters were glad to see the programmes organised by the Central Government on the 40th Anniversary of the country's Independence. They were glad because they saw that their feelings, objectives and ideas for which they had fought even at the cost of their lives and their families, are being given a practical shape. Without caring for their personal interests, the freedom fighters had jumped into the freedom struggle with the sole objective of liberating their country. Nobody had thought, at that time, of any reward in the form of a high post or pension etc. Their objective was not to get a reward by way of any pension or a high post nor was there any feeling of big or small among them. All of them had played an equal role in the freedom struggle. It is true that the right of punishment was with the then British Government and even if a freedom fighter wanted to be punished, it was not within his control. Moreover, getting punishment was not his objective. Keeping these things in view, the Father of Nation, Mahatma Gandhi had observed "A person who has gone to a jail even for a day has also made a great sacrifice". His intention was clear. He wanted that there should be no discrimination between the freedom fighters whether they had served a six month term in the jail or had been there for a day. It seems ridiculous that the Centre does not grant pension to those freedom fighters who

[Shri Madan Pandey]

have been recognised as such by the State Governments.

Therefore, I would urge the hon. Home Minister that instead of the period of punishment being the basis, the Centre should provide *samman* pension to all those freedom fighters who are already getting it from the State Governments, keeping in view their great sacrifice.

SHRI SHANTI DHARIWAL (Kota) : Mr. Deputy-Speaker, Sir, mining leases are being granted on a large scale in Bundi and Taleda tehsils in my constituency. The trees have already been felled in the mining area where the pits are located. The renewal of mining leases is pending because it has not been decided whether the approval of Central Government is essential or not under the Forest Conservation Act, 1980. Clause 2 (2) of the Forest Conservation Act, 1980 provides that no part of a forest area can be used for any other purpose. This means that if a part of the forest area is already being used for other purpose, it would continue to be used so in future as well. It was keeping this thing in view that the Supreme Court gave its judgement in the case of Shri Bansi Ram Modi in 1985.

I would urge the Ministry of Environment and Forests to exclude those areas, where there are no trees, which are lying waste, which are rich in mineral wealth and where mining operations are already going on, from the forest area to enable the people to exploit the mineral wealth for the economic growth of the State and also get themselves employed there.

[English]

SHRI SRIBALLAV PANIGRAHI (Deogarh) : The foundation stone of the Sambalpur-Talcher Railway Line was laid in September, 1984 by Shri Rajiv Gandhi. It was then declared that work of this project would be taken up on war footing so as to be completed within five years. But because of scanty provision of funds, the work of the Project is going on at snail's pace. A sum of eleven crore rupees only has been spent so far during last three years against estimated project cost of Rs. 68 crores covering only 8 per cent of the work of the Project. Thus unless the budget allocation is considerably enhanced, the Project at this speed will take a very long period to be

completed. Considering the importance of the line and discontentment of the people, regularly higher allocations should be made in the Budget for the early completion of the Project with an additional amount of at least Rs. 3 crores provided for expenditure during the current financial year itself.

SHRI AZIZ QURESHI (Satna) : Chitrakoot is a place of religious, historical and cultural importance. Thousands of people from all parts of the country and also from abroad come here to find solace, peace of mind and offer prayers. Unfortunately, Chitrakoot is divided between Madhya Pradesh and Uttar Pradesh. This is the main reason why Chitrakoot could not develop in such a manner as it should have been developed. What is required is sufficient transport and proper places of stay for the pilgrims who come here. It is also a place of national integration as the famous temple of Balaji in Chitrakoot is said to have been given lands and Jageers for its maintenance and construction by no less a person than the Mughal Emperor Aurangzeb. Great Indian poets Tulsidas and Rahim have also created their immortal poetry and spread the message of love and fraternity for all the human beings at this place.

What is required is the creation of a Central Development Authority by the Government of India for the all round development of Chitrakoot as a place of international importance and a centre of religion, learning, history and culture of India's glorious past where all the facilities of research and development could be provided for the students of ancient history and culture.

Rest Houses on reasonable charges, efficient development of buildings and roads and the naming of Railway Station Majgawan, as Chitrakoot Road is the dire need of the area and should be arranged immediately.

[Translation]

SHRI VIRDHI CHANDER JAIN (Barmer) : Mr. Deputy-Speaker, Sir, the following subject may be included in the next week's List of Business.

Jodhpur, Ajmer, Beawar, Udaipur and Pali in Rajasthan are facing acute drinking

water scarcity this year. The Rajasthan Government had demanded about Rs. 100 crores from the Centre as a drought relief.

A project has been formulated to supply drinking water to Jodhpur city on permanent basis through the Indira Gandhi Canal for which the Centre has provided Rs. 6 crores as assistance, which is inadequate.

Even if Army has to be pressed into service to complete the project on war-footing it should be done, so that drinking water is supplied to Jodhpur by June 1988. The Central Government should provide Rs. 28 crores to the State Government for this project.

The Narmada Water Dispute Tribunal has allotted 0.50 MF of Narmada water to Rajasthan for purpose of irrigation in the desert areas of Barmer and Jalore districts.

The Rajasthan Government has proposed to irrigate about 99035 hectares of land in these districts from this water but the project report has not yet been presented so far. Therefore, the Central Government should impress upon the State Government to prepare and present the project report immediately.

The Narmada water should be supplied to the desert and border areas of Barmer and Jalore districts by 1991 so that the people's demand for both drinking water and irrigation is fulfilled and the centuries old parched land is irrigated.

Keeping in view the backwardness in the border desert areas, the Central Government should also provide special assistance during the Seventh Five Year Plan for the above mentioned big project and the State Government should also make adequate provision in the Seventh Five Year Plan so that work could be undertaken on a war-footing and Narmada river water could be supplied for irrigation purposes in Barmer and Jalore districts by 1991 and the above mentioned desert areas could be turned into greenery.

[English]

SHRI SRIHARI RAO (Rajahmundry) : Sir, I request that the following may be included in the next week's agenda :

The indication of Oil and Gas results in

the Krishna-Godavari basin is very impressive. The Oil and Natural Gas Commission proposes to link 4 gas wells in the Krishna-Godavari basin by pipelines to the Gas Collecting Station. In Island Block, drilling operations in wells Tatipaka-I and II, and Pasarlapudi-I were completed and testing was done. A tunnel has to be drilled across the river Vasista and this work has to be taken up immediately. The find of oil in Kaukalur near Vijayawada and the find of oil and gas in Krishna-Godavari basin at a distance of about 5 km from the coast near Narsapur in Andhra Pradesh have given rise to expectations that oil and gas exist in large quantities in the on-shore and off-shore areas of Krishna-Godavari basin.

In view of the acute power shortage in Andhra Pradesh, the proposals of the APSEB for installation of three units of Gas Turbine of 33 MW each which are pending with the Central Electricity Authority may be cleared immediately. The Ministry of Petroleum and Natural Gas has to confirm the availability of 4 lakh cubic metres of natural gas for the above power plants. In view of its vast expansion programme, ONGC may kindly consider the location of a separate regional office in Andhra Pradesh exclusively for their operation in the Krishna-Godavari basin, preferably at Rajahmundry, East Godavari District.

SHRI HARIHAR SOREN (Keonjhar) : Sir, I request that the following may be included in the next week's agenda :

It is a matter of great regret that the female workers working in Banspani, Joda, Barbil, Bolani and other mines in Keonjhar district of Orissa are being exploited by their employers. They are very poor and they belong to tribal communities and they come to the mine-areas of Keonjhar district to earn their livelihood. All the basic amenities which should be provided to the workers are not made available to them. The young girls come to work there as daily wage workers fall victims of the contractors and they are being sexually exploited by the contractors on some promise or the other. When such victims want to raise a voice against the treatment meted out to them, they are threatened that they will lose their job. Thus, they are silently tolerating the injustice. Nobody is giving adequate protection.

SHRI KADAMBUR JANARTHANAN (Tirunelveli) : Sir, I request that the following may be included in the next week's agenda :

Tuticorin Port, located at the southern end of our country is gaining importance and soon it is likely to be declared as an International Port. It is, however, not known as to why the dredging of the berths is being delayed.

The dredging must be done to a minimum of 32 ft. in depth instead of 27½ ft. so that heavy vessels of 40,000 tonnage could be berthed at the port. Due to less depth of the Tuticorin Port, trade and commerce is being affected. For instance, the Thermal Power Plant, the SPIC and the TAC industries and Salt Pans cannot make use of this port. It is, therefore, very necessary that dredging must be done to a minimum of 32 ft. and this must be done at the earliest. More so, this will help avoid the present congestion in the Madras Port.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF FOOD AND CIVIL SUPPLIES (SHRI H.K.L. BHAGAT) : Sir, I have listened to the observations of the hon. Members and I shall surely bring them to the notice of the Business Advisory Committee.

12.30 hrs.

ELECTION TO COMMITTEE

Central Advisory Committee for the National Cadet Corps.

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : I beg to move :

"That in pursuance of section 12(1) of the National Cadet Corps Act, 1948, the members of this House do proceed to elect, in such manner as the Speaker may direct, one member from amongst themselves to serve as a member of the Central Advisory Committee for the National Cadet Corps for a term

of one year from the date of election, subject to the other provisions of the said Act and the Rules made thereunder."

MR. DEPUTY-SPEAKER : The question is :

"That in pursuance of section 12(1) of the National Cadet Corps Act, 1948, the members of this House do proceed to elect, in such manner as the Speaker may direct, one member from amongst themselves to serve as a member of the Central Advisory Committee for the National Cadet Corps for a term of one year from the date of election, subject to the other provisions of the said Act and the Rules made thereunder."

The motion was adopted.

NATIONAL HOUSING BANK BILL— Contd.

[English]

MR. DEPUTY-SPEAKER : Now we take up further discussion on this Bill.

[Translation]

SHRI RAMSWAROOP RAM (Gaya) : Mr. Deputy-Speaker, Sir, while supporting the National Housing Bank Bill which is before the House, I would like to make some submissions to the hon. Minister.

Mr. Deputy-Speaker, Sir, the basic necessities in our country are considered to be food, clothing and shelter. When seen in this perspective our Government is making full efforts to provide food, clothing and shelter to all the people of our country.

I am very thankful to the hon. Minister that he has felt the need of housing facilities and has brought a comprehensive Bill in this august House. The people want houses to live in and for this purpose, the hon. Minister and the Government have good intentions.

But unless the hon. Minister changes his method of working, I think, even his good intentions would not be fulfilled. Because under the present bureaucratic system

many of our projects are not being successfully implemented.

The Planning Commission had made a survey in the country in 1984 to assess the shortage of houses in the country. According to their survey, there was a shortage of 28 million houses in the country in the year 1984. But now it is 1987 and I think that more than 30 million residential units would be required now.

Whenever the question of housing comes before us, then our point of view becomes a bit narrow and we keep in our mind the problem of cities only and try to find out as to what is the shortage of houses in Delhi and the metropolitan city of Calcutta whereas 80 per cent of our population lives in villages. We should also see as to what is the shortage of dwelling units in the country-side. We should make more and more efforts to construct houses in villages also.

There are many co-operative societies to whom plots have also been allotted. But all these things are limited to the cities only. I would like to urge the hon. Minister that through the National Housing Bill, which he has brought forward, the problem of housing should be solved not only in cities, but also in villages. I think that unless the housing problem in villages is solved, we will not be able to achieve our objective even after passing this Bill. This year we are celebrating 40th anniversary of our independence, but even now 21 per cent people in the cities and 50 per cent people in the country-side live in the slums. Though the slum clearance schemes are being implemented by the Government, but unfortunately these schemes have remained restricted to the metropolitan cities only. There is a need to improve villages by taking advantage of these schemes. In the absence of such schemes in villages, the pressure of population has been increasing on cities. The people are migrating to cities from villages. Whether it is a municipal town, a district town or a capital town, people and the poor labourers are migrating to them in groups. Its reason is that people do not have any job opportunities there and there is a problem of accommodation. If you happen to visit any railway platform, bus stand or a foot-path in a city, you

would find thousands of persons sleeping there by which you can just imagine the gravity of this problem without going through the statistics.

Mr. Deputy-Speaker, Sir, the Government has taken a very progressive step by bringing forward this Bill, though the capital of Rs. 500 crores is quite inadequate. I would like to submit that through this Bill attention should be paid not only towards the urban areas, but towards rural areas also. Attention should be paid towards slums and especially towards the areas inhabited by Harijans, Adivasis and poor labourers. Through this House, I would like to request the hon. Minister that such poor persons should be sanctioned interest free loans. A physical verification should be conducted to find out such persons who do not have any property or residential accommodation and they should be sanctioned interest free loans. The hon. Minister has done an inspiring work by bringing forward this Bill. With these words, I support this progressive Bill.

[English]

MR. DEPUTY-SPEAKER : Already we have exhausted the time and also exceeded the allotted time.

SHRI RAM PYARE PANIKA (Roberts-ganj) : Sir, I have to speak.

MR. DEPUTY-SPEAKER : I will call all of you. But you have to cooperate with me by taking only five minutes. Shri Ram Narain Singh to speak. I am giving him only five minutes.

[Translation]

SHRI RAM NARAIN SINGH (Bhiwani) : Mr. Deputy-Speaker, Sir, there is no doubt that this Bill is very essential. One of the basic necessities of life is shelter. The institutions like LIC, GIC, HUDCO and other organisations which provide loan for houses, are functioning only in cities. Loans are provided in cities and houses are also constructed there. Eighty per cent population of our country lives in villages. Majority of rural population belong to poor and weaker sections. No special arrangement has been made to provide house building advances to them. At present only

[Shri Ram Narain Singh]

a sum of Rs. 6000/- or Rs. 7000/- is given as loan which is absolutely inadequate. A house cannot be constructed with such a meagre amount. I would like to request that there should be two housing banks, one for rural areas and the other for urban areas. The funds meant for rural areas should not be spent in urban areas and there should be a separate bank for urban areas. If the hon. Minister does not agree to it, he should at least increase its capital to Rs. 500 crores. The capital of Rs. 100 crores is not adequate and there should be a separate provision for rural people. Eighty per cent of people live in villages, therefore, their share in the capital should be 50 to 60 per cent of the total capital so that they could get some amount, otherwise the entire funds would be spent in cities only and the influential people would get loans sanctioned to their brothers, nephews and relatives and the poor would not be able to get any loan. It is therefore necessary that a separate provision should be made for rural areas. Top heavy administration has been provided. There is provision of 13 Directors, one Chairman and one Managing Director. There could be one post of Chairman-cum-Managing Director and the number of directors could also be reduced. Therefore, top heavy administration should be reduced so that expenditure on it could be reduced a little bit. The amount of Rs. 6000/- or 7000/- which is given to Harijans or the people belonging to weaker sections by Banks or the societies should be increased to at least Rs. 25,000/- to enable people to build at least two rooms with that much amount. The persons living in villages, who want to build their own houses, should be sanctioned loans so that they could be able to build their own houses. The houses which are built by the PWD or other Departments last only for ten years. When a person builds his own house, its life would not be less than 50 years. Therefore, the poor should be given loan to build a house having two rooms. There is no dearth of land in all the villages of Punjab and Haryana. There has been consolidation of land-holdings and land reforms have also been implemented. Thereafter every landless person in every village in Punjab and Haryana has been allotted a plot of 150

square yards. There is no dearth of land, only money should be sanctioned to them to enable them to build their own houses. But the difficulty is that there is corruption on a large scale in the branches of Banks in rural areas. The hon. Members have already spoken about it. At some places there is so much of corruption that people grab 25 per cent of the amount while sanctioning loans. Some action should be taken in this regard. Higher officers should enquire into it and check it. If this corruption continues, the people would be deprived of this loan facility as the money would be pocketed by middlemen. If corruption is not done away with, there would not be any benefit to the people from banks in rural areas.

[English]

SHRI SRIBALLAV PANIGRAHI (Deogarh): Sir, I rise to support the much-awaited National Housing Bank Bill. This Bill is a fulfilment of the promise made by the Prime Minister in his budget speech. The criticism being levelled by the Opposition that housing is not getting due priority is not correct. Of late, a lot of emphasis has been laid on the housing sector. In spite of all that has been done in this field, admittedly it is not sufficient. As you know in the current year's budget, much emphasis has been laid on housing. Provision for housing has been enhanced considerably. The establishment of National Housing Bank at the apex level, which is conceived of, as I said in the beginning, is a fulfilment of that promise.

Being conscious of the time at my disposal, I am not going into the details of statistics. But this problem is an alarming one. What have we achieved? We have definitely achieved something. The problem of housing is really becoming more and more acute. In 1981, according to the report of a high-level group chaired by Dr. C. Rangarajan, Deputy Governor of the Reserve Bank of India, the housing shortage was of about 21 million units. That has risen now to 24 million units and at the end of this decade, that is, of 1990, it is likely to touch the figure of 41 million units. It is increasing at an alarming rate. It is a challenging task. How to meet this?

As you know, to own a house is a basic necessity. Of course, we have achieved a lot by now. During the last 40 years of our freedom, our progress in various fields like agriculture, industry, is quite commendable. In spite of this, in the language of the Father of the Nation, Gandhiji, we can't claim to have achieved Independence. What did he say while replying to a question after achievement of Swaraj? His initial reaction was: So long as the five basic minimum necessities of life, that is, food, clothing, shelter, education for children and health-care, are not met, we can't claim to have achieved Independence.

If we look at these things, in spite of our having made a commendable progress in our country, we can't claim to have really achieved freedom. We have to be conscious in that respect. Sir, it is good that with Rs. 100 crores, a new institution is coming up with the provision of establishment of regional housing financial institutions but this is not enough. The allocation should be enhanced. At the same time, in a democratic set-up like India, in a populous country, the Government alone cannot do this work. So, concerted efforts by all concerns the Government, public sector, private sector, co-operative sector, household sector are very much needed. Pinpointedly, I am making certain suggestions.

We cannot construct houses for everybody. At least, house sites should be provided to all those who do not have house sites till today, be it in the villages, in the rural areas or in the urban areas. You know how severe the problem is in urban areas. We have to go for implementation of Urban Land Ceiling Act vigorously and accordingly when we have ceiling on income of farmers, why cannot we have similar ceiling on the income of people belonging to different professions and categories?

Secondly, these sites should be developed properly and social forestry should be encouraged and people have to be told clearly that they will be given sites and house building materials such as timber, bamboo and all that will be provided from social forestry that they grow in their own area. Similarly, arrangements should be made for loans on

easy instalments and also with a lower rate of interest; otherwise people cannot repay the loan. Coming to the other side, there is a need to amend the laws—Urban Property Ceiling and Rent Control Order and also CPC—the Civil Procedure Code. We have not achieved low-cost technology and we should develop some low-cost technology. Who are benefited by the housing provisions that we are having now? Mostly affluent people, educated people are taking advantage of the existing loan system. Taking Government loan, they are constructing houses and they are occupying Government quarters also. How we can solve these problems? People who are getting Government loans at a reasonable rate of interest at 6 to 8 per cent, should not be allotted Government quarters. We have to lay more emphasis to increase the allocations involving the common people in this task. With these words, I support this Bill which will be a turning point in our housing sector.

SHRI SHANTARAM NAIK (Panaji) : I would say that this National Housing Bank Bill is one of the best and leading Bills which have come uptill now in the session. Although we have discussed a lot about housing, basically I feel that the subject will not be the main concern of the Finance Ministry but the concern of the Urban Development Ministry. Some sort of financial policies are laid down. There was a point raised by the Opposition Party that since we are not having a comprehensive housing policy, what would be the fate of this Bill. I would submit that if there is a policy on housing, well that is good, but if actually on a given subject, a legislation is enacted that itself is the next stage, it is something which is concrete. In a case where we have a policy and not a legislation, it is not good, but if we have a legislation and not a policy, it does not matter for a moment. That is my submission.

Since this Bill is quite comprehensive, want of a policy on housing will not affect its implementation.

I am not going to deal with general statistics about the housing problem, I would only be dealing with some of the provisions of this Bill which are of direct concern.

There is a complaint normally by the

[Shri Shantaram Naik]

financial institutions that the Reserve Bank gives directions and they go on giving from time to time, sometimes they overlap ; and although the directions of the Reserve Bank are a law in financial matters, the common man is not able to know of them and he has no access to them. If a person wants to know the law about housing, he may get the Act, or the rules made thereunder. But what are the guidelines issued by the Reserve Bank or for that matter what are the regulations prepared by the Board with respect to various matters mentioned here, an average person would not be able to get them.

I would, therefore say that whatever directions are issued by the Reserve Bank under this Act should be compiled so that the people or the housing institutions are able to lay their hands on them.

Then, something with respect to the schemes under Clause 14 of the Bill. Under Clause 14 various schemes will be framed, but if one wants to know what are schemes on a given matter, he would not be able to know that. The same is the case with respect to schemes prepared by the banks today. I have seen that at many places schemes are not available in the regional languages or the language which people understand. Either they would be in English or in Hindi. Therefore, as far as housing is concerned, the schemes should be made known to the people in their own languages.

Then, there is a provision under Clause 14 (g) for research. Since our resources are limited, not much stress should be laid on research. We know what sort of housing should be there for common people. If we invest money on research, it would be a wastage. If you have got more money, then it is all right, but as on today, we have got sufficient knowledge in this matter and no money should be invested on research.

You have made some provisions for complaints. A complaint can be filed under whatever legislation is being introduced in this House. The tendency of the Government is to allow any private person to file a complaint, specially if the legislation is a beneficial legislation. I would be happy if

there is a provision which entitles any common man to approach a court of law for his grievances directly without Government assistance.

Clause 16 is with respect to loans in foreign currency. There is no question of giving any loan in foreign exchange ; there is no need of it. Our objective is social. We have to give loan in Indian currency. There is no question of any scheme or any provision for giving loans in foreign exchange. I would suggest that that part of the clause which provides for giving loan in foreign exchange should be deleted. I hope you will concede that.

Then, quality control is the most important thing in housing. If in a given year we spend Rs. 100 crores on housing without maintaining quality control, that will be washed away in a few years, as if we had not given any loan. Therefore, Sir, I do not know how far these Apex National Housing Banks will come into picture. So far as the quality control is concerned, it is the responsibility of the Ministry of Urban Development. But since you are giving the finance, I would say that you should also ensure that the quality of houses is maintained.

Lastly, Sir, all the banks which are under this Apex Bank and which frame regulations, they should be asked to frame regulations on all the subjects and also see to it that these are well circulated to the public.

13.00 hours

*The Lok Sabha adjourned for Lunch
till Fourteen of the Clock.*

—————
*The Lok Sabha re-assembled after Lunch
at eight minutes past Fourteen of
the Clock.*

[MR. DEPUTY-SPEAKER *in the Chair*]

NATIONAL HOUSING BANK
BILL—Contd.

[*English*]

MR. DEPUTY-SPEAKER : Prof. Soz, I have already informed the hon. Members to be very brief because we have already

taken more time. Mr. Soz whichever point you want to make here, you be very brief.

PROF. SAIFUDDIN SOZ (Baramulla) : Mr. Deputy-Speaker, Sir, it is a good measure that you have brought this National Housing Bank Bill. It says that it is going "to establish a bank to be known as the National Housing Bank to operate as a principal agency to promote housing finance institutions both local and regional levels and to provide financial and other support to such institutions and for matters connected therewith or incidental thereto".

It is a good measure because it talks of housing. But Sir, I fail to understand as to what was the urgency for the Government to present a Bill like this to the Parliament because it falls terribly short of the expectations of the people. It will not solve the problem, because it will add a dimension to the scarcity of housing facilities in this country. I will say how : I will not try to repeat what most of the Members have said here, although, as far as this measure is concerned, we are thinking on the same wavelength.

I spoke of urgency. What is the kind of relief that this Bill is organizing ; and for what section of the people ? This Bill is meant for the upper middle class section of India. It does not touch the lower middle class at all, it does not get within its purview the rural society, and it does not solve the problem of slums. There was no urgency, because the upper middle class or the middle class is enjoying some facilities. In India, you have a population below the poverty line. We have slums, we have the rural society which has not seen the benefits of development. You are not touching that society, and you are bringing in a measure where you are talking of housing facilities for the urban society.

The basic question is this : there is no National Housing Policy. I would have congratulated the Minister of Finance if he had come forward with a Bill which could depict Government's ideas on National Housing Policy. This is not the Bill that says anything about that policy. In the absence of a National Housing Policy, a measure like this may resolve some problems for the middle class, for the upper middle class and for the financial institutions which

will be charging a high rate of interest. Who will pay it ? Who is prepared to pay this high rate of interest ? Only the people who will establish housing colonies. These will be the institutions for making profit. This Bill, as a whole, is a Bill with commercial concern. You are talking of financing the already-existing housing institutions. Clause 14 of the Bill which explains its aims and objects, has only one provision somewhere. In Clause 14 you indicate the objectives, i.e. what the Bill is going to do. Herein there is an item which says that it will be—

"formulating one or more schemes, for the economically weaker sections of society which may be subsidised by the Central Government or any State Government or any other source ;"

But there is no thrust towards these weaker sections, and you use the term 'may' which means may or may not. So, clause 14 gives the gamut of the objectives of the Bill. This is something heart-rending. You have incorporated the objectives, and one of them is seeking to give relief to the economically weaker sections, and there you use the term that it 'may' be subsidised, which means that it may, or may not be. So, it is a Bill promoting housing activities here in this country, and avowedly benefiting that section of the society which is already far above the poverty line at least. This Bill does not touch the society, the mass of humanity in India which is below the poverty line, which is in slums and which is in rural India.

In the absence of a National Housing Policy, and when housing has not been accepted in India as a basic right, are you going to do anything about it ? Housing should be a matter of right for everybody. We had said, and we had committed ourselves to socialism. We are a socialist democracy, and we say we stand for secularism, we stand for democracy and we stand for socialism. But this Bill does not stand for socialism at all. Even after 40 years of independence, we are not accepting housing as a right.

When I was educated through correspondence by a private, voluntary organization called National Campaign for Housing Rights, I became conscious perhaps for the

[Prof. Saifuddin Soz]

first time that in this country housing has not been accepted as a basic right. When you have no well-knit national policy on housing, when you have not accepted housing as a basic right, presenting this measure before the Parliament is meaningless, because Parliament, irrespective of party affiliation—it may be Treasury Benches it may be Opposition—we are all united one thing and that is housing should be accepted as a basic right in this country.

We are concerned for the rural society ; we feel concerned for slum dwellers ; we feel concerned for the people who spend their nights in the open on *patris* in Bombay, Calcutta, Madras and Delhi. Slums are growing there.

One more flaw is there in this Bill and that is that it does not even commit itself to organising cooperative housing societies, because if you promote cooperative societies, there is some hope that those societies will touch rural India, poor sections of the population. You even don't say that. I would like to tell Mr. Poojary that the Ministers only hear the debates ; they never respond to them. That is my complaint. You should, in some measure, say that you will consider it, you will answer our points and you should also invite senior colleagues and in your answer you should reflect your thinking on the suggestions that we are making to you. At least this Bill will be for that. You talk of organising cooperative housing societies and you say that you shall cover rural India, you shall cover slums dwellers, you use the word 'shall', you shall do something substantially for the weaker sections of the population. This kind of a Bill should have come forward for rehabilitation of people.

I give you an example of the Jammu and Kashmir State. We have Dal Lake, that attracts international tourists. Now the poor fishermen because of lack of housing facilities, have encroached upon the Dal Lake and that has spoiled the atmosphere. They have created a problem of pollution and the tourist trade is dwindling. We have the land but we have no money. You could give a helping hand to the Government of Jammu and Kashmir State and have a housing colony for those fishermen, so that they

vacate the area they have occupied and pollution problem will be solved and tourism will also receive a fillip.

You are not thinking of removing slums. Dr. Datta Samant who will speak after me will talk about the slums in Bombay. I have some authentic information. The figure is that 38 per cent people in Bombay live in slums ; that figure is not correct. My information is that 52 per cent of Bombay population, apart from suburbs, live in slums ; that seems to be the latest figure. What do you do ? It is a petty development that you make one room tenements for them and got them on to those houses ; then they run back to their old houses. You will have to respond to the situation in one go and remove slums entirely in Bombay. You have the land where *Jhuggis* are there ; you can utilise that land and eradicate slums in Bombay in one go. If you do an half-hearted effort, slums will continue to grow ; slums will never be eradicated. So, there has to be a revolutionary approach for eradication of slums. You have to come forward with a resolve that you will have no slums in Bombay, in Delhi and in Calcutta. I am warning you that in Delhi around R.K. Puram slums are growing. 10-15 years ago we had no slums in Delhi, but now they are also coming up. So, there should be a Bill which will seek our support and cooperation for eradication of slums.

In the Constitution of India, we have fundamental rights. I say this is also a fundamental right that we should commit to have housing as a matter of right. But how do you answer it ? The Government should answer and it should commit itself to honouring the Directive Principles enshrined in the Constitution where you say you will have an egalitarian society, you will have a socialistic pattern of society and you will have a society which will offer everybody food, clothing and shelter. What is the Government of India doing for shelter ?

MR. DEPUTY-SPEAKER : Shri Girdhari Lal Vyas.

[Translation]

SHRI GIRDHARI LAL VYAS (Bhilwara) : I rise to support the Housing Bank Bill and convey my thanks to the Govern-

ment as it has done a good job by bringing forward such a Bill. The Government is already making efforts to provide food, clothing and shelter to the people of the country...(Interruptions)

As regards provision of food, clothing and shelter, I would like to submit that the Government has produced so much food-grains by bringing about green revolution that every man in the country is able to get food. Similarly, provision has been made to produce so much cloth in the country that it has become possible to provide cloth to every one in the country. I convey my thanks to the Prime Minister Shri Rajiv Gandhi for these steps taken by the Government.

As a number of hon. Members have said, we are far behind in the matter of providing housing accommodation to the people. At present, we require 21 million dwelling units. At the end of the Seventh Five Year Plan, we will be requiring 30 million dwelling units. The step taken by the hon. Finance Minister in regard to meeting the shortage of houses is very small. We are going ahead in making houses available to the people of the country. This is one of the steps taken by the hon. Finance Minister in this regard.

I would like to submit that if we calculate the cost to be incurred on the 21 million units which we require, we will find that the proposed capital of the Bank is very less. If we spend Rs. for 10 thousand on a unit, we will require 2,00,000 crores of rupees and if we spend less than this amount, we will require 1,50,000 crores of rupees. Only then we will be able to provide houses to all.

Sir, the Government has made a provision of Rs. 100 crore for this National Housing Bank which would be increased to Rs. 500 crores. I hope that the Government would act in the same way as it had acted in the case of setting up other banks including the Foreign Bank, the Financing Bank for Agriculture and the IDBI for reviving sick units. Similarly, we can quote a number of other instances also. We had provided less money at the time of setting up such banks but increased the same from time to time taking into consideration the

requirement thereof. We have now made more and more provision for such institutions so that they may be able to fulfil their aims and objects. So, I hope that we will not face any difficulty in the case of this Housing Bank also. At present, the Government has set up this Bank with a small sum but I hope that more amount and more facilities will be provided to this Bank taking into consideration the problems which it would have to confront later on and the expansion of the Bank likely to be undertaken in future so that the shortage of the houses in the country can be met.

Mr. Deputy-Speaker, Sir, it has been provided in section 14—

[English]

"It will need to maintain close liaison with the Life Insurance Corporation of India, Unit Trust of India, General Insurance Corporation of India and other financial institutions."

[Translation]

I hope that when you are associating all the institutions with the Housing Bank, they will give their full help in fulfilling the aim of providing houses to the people. So it does not make any difference whether the capital is Rs. 100 crore or Rs. 500 crore. The hon. Members, who have criticised on this point, should understand that there would be no paucity of funds for this purpose. The hon. Minister will utilize the amount properly. The Life Insurance Corporation has sufficient money with it and it can be utilised for housing purpose. Similarly, help can be taken from those financial institutions which have been mentioned in section 14. What has been said in section 14 in regard to the weaker sections is very praise-worthy. The more we praise, the less it is because it is very essential to provide houses to the weaker sections. The Government has paid attention to this problem and it has made provision in this Bill. But besides these provisions there is need to make one more provision for achieving coordination with other departments. The Department of Agriculture can provide surplus land through land reforms and similarly the Department of Urban

[Shri Girdhari Lal Vyas]

Development has land found surplus under the Land Ceiling Act. By bringing about coordination with these two departments, we can make the housing policy a success. Unless plots are available, how can houses be constructed. In this way plots can be made available to lakhs of people and this scheme can be made a success. The Congress, to-day is heading towards socialism rapidly, this will be a big step in this direction. So there is a great need of this measure.

Some hon. Members have said that there is no provision for cooperatives in this Bill. But I would like to say that a provision for cooperatives is there in the Bill and there is no doubt that priority will be given to cooperatives under this Act. The cooperatives of employees, labourers, agriculturists, non-agricultural labourers, etc. should be formed and priority given to them so that all the 37 to 38 per cent people living below the poverty line may be able to get benefit of housing facility.

Although I have to submit a number of points but you are preventing me by ringing the bell. With these words I support the Bill.

SHRI VIRDHI CHANDER JAIN (Barmer) : Mr. Deputy-Speaker, Sir, I rise to support the National Housing Bank Bill 1987 which has been presented in this House. While presenting the Budget on 28th February, 1987 the Prime Minister specifically mentioned that a National Housing Bank Bill would be presented and today we are having a discussion on it. We all welcome this measure.

The problem of housing is a very acute one and efforts are being made to solve it. The Life Insurance Corporation provides loan to its policy holders for this purpose. This Unit Trust also provides loan. In my constituency houses have been constructed for Scheduled Castes and Scheduled Tribes with the loan provided by the HUDCO. I have seen those houses. The HUDCO has made a provision of Rs. 60,500 for a house. There is a provision of two rooms in a house. One room is 9 ft by 16 ft and the other 9 ft by 6 ft which is very small.

What I mean to say is that those rooms have not sufficient space to live in. With a provision of Rs. 10 thousand, a suitable house comprising two rooms of 9 ft by 16 ft each can be built in my constituency so the HUDCO should give a loan of Rs. 10 thousand to the persons belonging to the Scheduled Castes and Scheduled Tribes to build a house. This is a genuine demand. The Government had made a provision of 34 per cent of the plan allocation for rural housing in the First Five Year Plan and Rs. 10 crore in the second plan. But I am sorry to say that only an amount of Rs. 3.7 crore was utilised. In the Third Five Year Plan a sum of Rs. 12.70 crore was allocated and only Rs. 4.20 crore were utilised. In the Fifth Five Year Plan a sum of Rs. 108 crore was allocated but only Rs. 55 crore were utilised. As against our allocation of Rs. 353 crore in the Sixth Five Year Plan only Rs. 118 crore were utilised. In the Seventh Five Year Plan a sum of Rs. 571 crore was allocated. I have yet to receive the figures of the amount which has been utilised. I would like to say that more allocation is being made but it is not being utilised and the houses are not being made available to the people. This will have to be seen which State Governments are not utilising that amount and what are its reasons. What are the difficulties in getting loan from the HUDCO? What are the conditions which cannot be fulfilled? The procedure for getting loan should be made simple so that more and more applicants come forward to take loans and construct houses. In my constituency the people belonging to the Scheduled Castes and Scheduled Tribes get loan for constructing houses but the identified families in the weaker sections have not received any loan till date. Taking into consideration the population of Barmer, only per cent people have got loan. The HUDCO should function more smoothly and the branches of the Apex Bank should also function in a proper way because it is a very difficult task. We will have to formulate a plan to build 3 crore houses. We will have to see how many houses we will be able to build in the Seventh Five Year Plan and how much amount we will be able to allocate for housing in the Eighth Five Year Plan. But the way we are working we will not be able to solve this problem.

The situation in the rural areas in my district is such that 99 per cent of the people are living in huts and there is not a single *pucca* house there. If some *pucca* buildings have been constructed in the rural areas, there are only public buildings and schools which have been built under the N.R.E.P. In this connection, efforts should be made to solve the housing problem by giving priority to backward areas, desert and hill areas, tribal areas and the slum areas in the cities in the matter of housing. You want people to build their houses but in the absence of sites how can they build their houses. Hence, in the remaining 2 years of the current Five Year Plan you should implement this programme on a war-footing and issue necessary directions to the States to do so as well. The State Governments have done the same earlier also. You should take steps to make provisions for allotting plots of land to the landless people. In the present Bill, provisions have not been made to appoint representatives of people as Directors. Banks always disregard the representatives of people which no other organisation does. The lead banks are filled with Government officials and no M.P. or M.L.A. is associated with them. That is why banks encourage bureaucracy and not the representatives of the people. Therefore, it becomes difficult for the poor people to get loans. He keeps on taking rounds of the banks for 3-4 months and is able to get the loan only after bribing the bank officials. You should bring about radical changes in this connection so that the people in the rural areas are benefited and arrangements can be made for providing housing facilities to them.

[English]

DR. DATTA SAMANT (Bombay South Central) : Sir, I have been hearing the speeches for the last two days and waiting for my turn. All the Members from the Treasury Benches have called this Bill as a good Bill and a good proposal, and have ultimately come to the same point, as the hon. Member Shri Jain has said, that what about the housing for those 99 per cent of the voters who are staying in the villages. I am going to ask a categorical question from the hon. Minister. 37 per cent of the population of this country is below the poverty

line. This I have noticed from the reply given by the hon. Minister. Is this Bill or this apex body or whatever it may be, going to provide loans to the poor people? So far the Congress Government has been starting from the top and is not bothered about the poor people of this country. The poor people are not going to be benefited. All the loans and all the systems are meant only for the ten per cent higher class of the society. It is only they who are getting loans from the various finance corporations or who are benefited by the various housing boards. Nobody else is going to get the benefit. At least after getting a lot of experience, this Government should have started from the poor, making him as a unit, instead of starting from the top like industrialists and giving them loans.

Anyhow, Sir, I have a very important problem as far as Bombay is concerned. Out of the one crore people who are living in Bombay, 55 lakhs are staying in slums. Is there any provision to give them the loans? There is no such provision. Clause 14 says 'it may'. But their plans will not be approved because as per the Bombay Municipal Corporation, they cannot get their plans approved. In Bombay, 18 per cent of the people are staying in the area from where I have been elected—Lalbagh, Parel, Worli and where hon. Members Shri Dighe and Shri Banatwalla are staying. All dilapidated buildings are there. In the last fifteen days, three buildings have collapsed and twenty persons have died. They were all textile workers. I have read in the magazine 'India Today'. He says that he is for the poor. He is staying in Bombay by eating only two bananas. So, I would like to take him to the poor people. Sir, 40% of the textile workers are staying in one room tenement and they are to stand in queue for toilet, for taking bath and they have to go to bed in their turn. 90% of their family members are staying in their native place. This is poverty. Sir, you are not going to help the metropolitan centre like Bombay. What is the use of bringing forward this Bill? You would take care of only 5% of the people of this country. I would therefore request kindly to withdraw this Bill and study the basic principle and understand the basic needs of the people. What do you think of construction agency? In Bombay

[Dr. Datta Samant]

the cost for construction of one sq. ft. is Rs. 150 to Rs. 200. But the flats are sold at Rs. 1500 per sq. ft. In Lalbagh, in Central Bombay, it cost seven times of its original price and for a small flat of 300 to 400 sq. ft. is going to cost Rs. 4 lakhs or Rs. 5 lakhs. Forget about the textile workers or the middle-class people. The hon. Member Shri Sharad Dighe and the hon. Member Shri Banatwalla are living there and they cannot afford to buy this flat. You have sold the land to the private agencies and you have minted crores of rupees in this way. In the Rangarajan's Report they have praised the private agencies and they have done good work. But, Sir, they are the first-class smugglers. They have cheated people and they have earned money. Private construction is worth about Rs. 18,000 crores. You have neglected the poor people. Now, they are constructed like this—50 blocks—50 wise, 60 blocks 40-wise and 40 blocks 60-wise. This is how money has been paid in Bombay. So, out of these Rs. 18000 crores, your official figure for the construction of these flats is Rs. 15,000 crores. This Government is sleeping and they never bother about the average man, poor man. If that is the fate, then what for the construction agency? The land in Bombay costs Rs. 3000 to Rs. 5,000 per sq. ft. in Bombay. If the construction is going to remain in the private people, not even 5% of the people in Bombay will be able to get these flats. The flat would cost Rs. 3 lakhs or more and the instalment would be Rs. 1500 or more per month. You may have your Apex Bank or any other Bank. I would ask the hon. Minister one point. Sir, the way you are collecting the provident fund of these people for this purpose, you will be paying 12% interest. But you are going to take more from the public by way of selling these flats at higher costs. You are taking this money from the average man, but you are not giving this loan to the average man. You are going to give this money collected from them on loan at the rate of 17% or 20%, and again on the amount of Rs. 2 lakhs or Rs. 3 lakhs being the cost of the flat, you are going to collect Rs. 1500 or more as instalment per month. The person who is doing smuggling, who is cheating the people and who is corrupt is getting the benefit. Only 5% of the people

in Bombay can get access to this fund and can get these flats but the average people and poor people of this country are going to suffer.

Sir, I have suggestions to make for the consideration of the Government. What about the fixing of prices of the land. Grand fathers and the great grand fathers had taken the land long back. They are now going to collect crores of rupees. But, Sir, you should fix the cost of the land before they are sold at exorbitant price. Godrej is having 5,000 acres of land in Bombay. Can anybody dare touch his land? It will be sold in black. Sir, therefore, I want you to construct cheap houses and that is the need of the poor people. Giving money to the private people or 'bania' is not going to help these poor people and it is not the need of the country. You construct only cheap houses for them. You have neglected the poor people in Bombay. I would therefore request the Government to fix the price of land in Bombay. You nationalise the land in all the big cities in the country. Otherwise, the cost of the house will be going high and high. What do you mean by cheap housing? In regard to cement-blocks concrete-block, has any research been done so far? The old system is going on and therefore Government should seal the land price and take all the lands in all the cities, have the agency appointed to construct cheap houses for the poor people. You may say; why don't you construct? You have got lakhs of workers". Sir, you have got their provident fund money and they are prepared to give you Rs. 75,000 and Rs. 50,000 and you use some little money from your fund and construct cheap houses on mass scale like two-roomed flats. If you take the initiative and seal the land in the cities and construct flats on a large scale, I think that that will help the poor people. Otherwise whatever houses you are going to construct with this money will be used by the private people. This is all going in the vicious circle.

Sir, one point more and that is, we are going to spend money on machinery, you are going to open an office in Bombay. The establishment charges are going to be so fantastic that you cannot afford to give loans for less than 20 per cent interest. This is going to be a luxury for top people. Nowa-

days the ownership flats are purchased with the black money and the builders are making money. In the same way, this is the affluent class people who earn more money and that is going to be the fate of the Bill. So, I would appeal to you to withdraw this Bill and have some basic principle for construction of houses at a cheaper rate.

[Translation]

SHRI MANVENDRA SINGH (Mathura) : Mr. Deputy-Speaker, Sir, I support the National Housing Bank Bill. At the same time I want to draw the attention of the Minister to the fact that perhaps while framing this Bill he forgot that 70 per cent of the Indian population, in fact slightly more, lives in villages. Forty years have passed since India became independent but till today, housing facilities have not been provided in the rural areas. The problem of housing is a complicated problem along with various other problems. Although we can see *pucca* houses in the villages but it has to be seen whether these have been constructed by the Government or by the people themselves.

Under the Indira Housing Scheme, it has been envisaged to have 20 to 40 houses in each block in the rural areas. Under this scheme, each individual is to get Rs. 6,000 or Rs. 6,500. Have you taken into consideration the price of the building materials and the labour charges? Can we construct a house with this amount these days? With this sum of money only the bare four walls can be raised and the rest of the expenditure has to be borne by the poor people themselves. Moreover, do you think that by providing housing facility to only 20 or 40 people in each block, you have made significant achievement? Are you aware of the total population of each block? Each block consists of 60 to 100 villages. From this account, do you think that you have made significant achievement? If you go to the rural areas today, you will find that the condition of farmers is very deplorable. Their debts are increasing day by day. I have submitted in this august House many times that under the various housing schemes in the cities you extend loans for constructing dwelling units and also provide flats to well-off people on instalment basis. But no such scheme has been evolved for the rural areas

so far. I want to know from the hon. Minister as to why such housing schemes have not been formulated for the rural areas? Along with this Bill you should have presented some scheme for the rural areas also in the House. But you have not formulated any such scheme. The funds which you are going to provide will benefit only those people who are already engaged in this business. Whether any provisions are being made in this Bill that institutions like banks, co-operative societies or insurance agencies would be able to extend loans to the poor people as well? If some poor people who do not have any land or property to offer as surety, approach banks for house-building loans, will the banks extend loans to them? Such provisions should also have been made. The medium scale projects in the urban areas are meant for the middle class people. Thus, even in the towns and cities, you have made no provision for the economically backward sections. Are banks prepared to extend loans to labourers working on daily wage basis in the urban areas, who are shelterless and sleep on the streets or the agricultural labourers who are also without any shelter and during winters spend their nights by sitting near fire? Have you formulated any scheme for such people? The said scheme will benefit the middle classes and the upper classes and those agencies which construct houses after taking loans from this bank. Your Bill will help the business class, the industrialists and other rich people. It will certainly not benefit the poor.

Therefore, I want to suggest that while formulating such schemes in future, you should ensure that the poor people are able to get house-building loans without having to offer any security and also that land allotment is made to them in the villages or towns or housing cooperatives are constituted which can construct houses for them. If the poor people get loans from this bank, then it will benefit 70 per cent of our population. Rs. 100 crores will get exhausted in paying salaries to the officers and other staff of the bank and other establishment charges. I want to request you to enhance this amount and make this programme effective for helping the poor people.

[English]

SHRI G.I. PATEL (Gandhinagar) : Mr. Deputy-Speaker, Sir I welcome the Bill and

[Shri G.I. Patel]

I support it. As we know, the housing problem is very acute in the country and the Government has taken a very good step to solve this problem.

In the country, the cooperative movement is going on very well and, therefore, I have suggested and moved certain amendments to clauses 6 and 14 of the National Housing Bank Bill, 1987.

The proposal to set up the National Housing Bank is indeed a land-mark in the history of housing finance in the country. It is a recognition to the national concern for improving the housing conditions and commitments to support proper development of housing stock. It is a positive step in the direction of providing homes to all, as pronounced in the Prime Minister's 20-point programme.

However, the housing cooperatives which are playing very important role do not find any place in the Bill. The cooperative housing movement is now a substantial movement consisting of 40,000 housing cooperative societies all over the country, with a membership of 28 lakhs. This movement has to its credit 6 lakh houses already constructed and an equal number is under construction. Housing finance is an integral part of this movement and there are already in existence 24 Apex cooperative housing finance societies in various States and Union Territories, each providing long-term loans to its members. The total advances given by the Apex housing finance societies over the years is Rs 1500 crores. Annually, the Appex housing societies are investing Rs. 150 crores. Moreover, the members themselves also are spending 50% and the total investment of the cooperatives is more than Rs. 3,000 crores and annually it comes to Rs. 300 crores.

Certain Members have doubted that the money will not reach the poor people. But in our country, the cooperative movement is so flourished and strong, we can definitely go to the cooperatives and we can invest money through the cooperative societies and it will reach the poor people, E.W.S. and L.I.G. and M.I.G. people.

My humble request to the Finance

Minister in respect of this Bill is this that the Bill very progressive but the NHB is proposed to be set up on the line of NABARD. On the Board of Directors, there are two Directors of the agricultural credit sector. In the same way, National Housing Federation is an All India Body. All States, all the Apex Bodies, are affiliated to it. I propose that two Directors must be from the Apex National Housing Federation and investment also and due respect should be given to cooperative sector.

In Clause 14, you have suggested scheduled bank and other things. You should accept my amendment to propose the cooperative societies also.

The Bill has made a provision of Rs. 100 crores. But my proposal is that it should not be less than Rs. 500 crores, looking to the demand of housing and it should not be dominated by the Reserve Bank also because of the interference of the RBI NABARD has not very much developed. I request the hon. Minister that the NHB should not be totally under the Reserve Bank. There must be two or three Directors from the Reserve Bank and Government but more Directors should be appointed from the people and cooperative movement. This is my suggestion. I have already moved two amendments. I hope the Finance Minister will accept the amendments.

[Translation]

SHRI UMAKANT MISHRA (Mirzapur): Mr. Deputy-Speaker, Sir, many, many thanks to you. We welcome the steps taken by the hon. Prime Minister for eliminating poverty and lifting the poor people above the poverty line. The 20-Point Programme initiated by late Shrimati Indira Gandhi is being taken forward by the present Government under hon. Shri Rajiv Gandhi. Our hon. Minister of State for Finance Shri Janardhana Poojary is also a very devoted Minister. In order to ensure that the loan assistance extended by banks reach the poor in villages, he himself visits villages and sees whether the work is being done in a proper manner.

The National Housing Bank will enable the people to construct their own houses

and they will be able to get an opportunity of fulfilling their requirements. Therefore, I welcome this Bill. A programme can be said to be useful for this country only when it provides maximum benefits to the rural areas. The National Housing Bank should finance the various banks in the rural areas which are extending loans to the unemployed people under the I.R.D.P. or helping the poor people in other ways. If such arrangements are made, then the poor people can take loans from these banks and construct their own houses.

If you go to the villages you will come to know as to how many poor and middle class people live there. You will find that most of the people in the rural areas live in mud houses. It is a matter of great shame for us that we are not able to provide houses to 75 per cent of our population living in the rural areas. Through this Bill the Government should make such arrangements so that these people are able to take loans for constructing houses.

I want to request the hon. Minister that he should ensure that the people living in the rural areas are able to reap maximum benefits. This will improve the economic standards of the rural poor. With these words I express my thanks to you.

15.00 hrs.

STATEMENT RE : LATEST DEVELOPMENTS IN SRI LANKA

[English]

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. NATWAR SINGH) : When the Prime Minister spoke to the House on developments in Sri Lanka, on the 9th of this month, he had said that, even at this late stage, we hoped that better sense will prevail and the LTTE would hand over their arms and support the Indo-Sri Lankan Agreement.

There was no immediate response from the LTTE, which continued to attack the IPKF and civilian targets, forcing the civilian population to give them shelter and using them as shields for their operations

against our soldiers. Their propaganda campaign continued, and they sent messages to the UN Secretary General and other individuals, alleging that the IPKF was committing atrocities against the civilian population.

In the circumstances, the IPKF has been forced to continue its operations against the LTTE. At the same time, we have placed increasing emphasis on getting those areas of the North that have been freed from the LTTE's grip, including Jaffna, back to normal. Emergency supplies are being sent both by air and ship ; electricity and telephone communications are being restored through equipment that we have flown out.

Sir, the people in the areas now under IPKF control are beginning to emerge from their nightmare. They realise that they no longer need to fear for their lives, or to live under coercion. They are beginning to come forward to point out LTTE caches to the IPKF ; there are reports that in some areas they have prevented LTTE operations. All this has helped the IPKF.

Perhaps realising that they no longer represent the wishes of the people, numbers of LTTE personnel have become disillusioned ; surrenders are taking place, and there have been indications that increasing numbers of the LTTE cadres now realise that there is no future in a continued and futile confrontation with the IPKF.

Faced with the resentment of the people of Jaffna, who are unwilling any longer to countenance LTTE obduracy, and in the face of sustained IPKF pressure, they have now released the eighteen IPKF soldiers in their custody. This is a positive development, and is a vindication of the policy followed by Government of firmness, coupled with a willingness to keep the door open for negotiations.

A number of well-meaning people, who have been in touch with the LTTE leadership, believe that the LTTE needs a little time to hand over their weapons and declare their support for the Indo-Sri Lankan Agreement. These sentiments have been echoed in the House. In response, Government have decided that, for forty-eight hours, starting from 7 a.m. tomorrow, the

[Shri K. Natwar Singh]

21st November, the IPKF will not open fire on its own initiative. It is hoped that the LTTE will use this opportunity to handover their arms and unequivocally support the Indo-Sri Lanka Agreement, in the larger interests of the Tamils of Sri Lanka, and do so during this period.

I am sure that all well-wishers of the Tamils of Sri Lanka will join me in urging the LTTE leadership not to let slip this opportunity to join the mainstream of political life and play an important part in the future democratic set-up.

On our part, we continue to be firm in our resolve to implement, in its totality, the Indo-Sri Lanka Agreement.

SHRI KADAMBUR JANARTHANAN (Tirunelveli) : Sir, on behalf of the Chief Minister of Tamil Nadu Dr. M.G. Ramachandran, I profoundly thank the Prime Minister and you from the bottom of our heart. Shanti Sena has really...

MR. DEPUTY-SPEAKER : There is no discussion on this now.

15.02 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

Forty-third Report

[Translation]

SHRIMATI USHA RANI TOMAR (Aligarh) : Mr. Deputy-Speaker, Sir, I beg to move :

"That this House do agree with the Forty-Third Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 18th November, 1987."

[English]

MR. DEPUTY-SPEAKER : The question is :

"That this House do agree with the Forty-Third Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 18th November, 1987."

The motion was adopted.

15.03 hrs.

HUMAN RESOURCES (UTILISATION) BILL*

[Translation]

SHRI SANTOSH KUMAR SINGH (Azamgarh) : Mr. Deputy-Speaker, Sir, I beg to move that leave be granted to introduce a Bill to provide for utilisation of human resources in the best interests of the nation and for matters connected therewith.

[English]

MR. DEPUTY-SPEAKER : The question is :

"That leave be granted to introduce a Bill to provide for utilisation of human resources in the best interests of the nation and for matters connected therewith."

The motion was adopted.

[Translation]

SHRI SANTOSH KUMAR SINGH : I introduce the Bill.

15.04 hrs.

CONSTITUTION (AMENDMENT) BILL*

(Insertion of New Article 30 A)

[English]

SHRI SYED SHAHABUDDIN (Kishanganj) : I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. DEPUTY-SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Constitution of India."

The motion was adopted.

SHRI SYED SHAHABUDDIN : I introduce the Bill.

ADMINISTRATIVE TRIBUNALS (AMENDMENT) BILL*

(Insertion of New Section 2 A)

SHRI K. RAMAMURTHY (Krishnagiri) : I beg to move for leave to introduce a Bill further to amend the Administrative Tribunals Act, 1985.

MR. DEPUTY-SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Administrative Tribunals Act, 1985."

The motion was adopted.

SHRI K. RAMAMURTHY : I introduce the Bill.

15.05 hrs.

CONSTITUTION (AMENDMENT) BILL*

(Amendment of Article 276)

SHRI S.G. GHOLAP (Thane) : I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. DEPUTY-SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Constitution of India."

The motion was adopted.

SHRI S.G. GHOLAP : I introduce the Bill.

RECOGNITION OF TRADE UNIONS BILL*

PROF. MADHU DANDAVATE (Rajapur) : I beg to move for leave to introduce a Bill to encourage trade unionism among the employees and to provide for collective bargaining between the employers and representative trade unions of employees.

MR. DEPUTY-SPEAKER : The question is :

"That leave be granted to introduce a Bill to encourage trade unionism among the employees and to provide for collective bargaining between the employers and representative trade unions of employees."

The motion was adopted.

PROF. MADHU DANDAVATE : I introduce the Bill.

15.06 hrs.

BLIND PERSONS (EMPLOYMENT) BILL*

PROF. MADHU DANDAVATE (Rajapur) : I beg to move for leave to introduce a Bill to make provisions for enabling blind persons to secure employment and for matters connected therewith or incidental thereto.

MR. DEPUTY-SPEAKER : The question is :

"That leave be granted to introduce a Bill to make provisions for enabling blind persons to secure employment and for matters connected therewith or incidental thereto."

The motion was adopted.

PROF. MADHU DANDAVATE : I introduce the Bill.

**INDIAN PENAL CODE (AMENDMENT)
BILL***

*(Substitution of New Section for
Section 306)*

PROF. MADHU DANDAVATE (Rajapur) : I beg to move for leave to introduce a Bill further to amend the Indian Penal Code.

MR. DEPUTY-SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Indian Penal Code."

The motion was adopted.

PROF. MADHU DANDAVATE : I introduce the Bill.

15.07 hrs.

**CONSTITUTION (AMENDMENT)
BILL***

(Amendment of Article 30)

SHRI THAMPAN THOMAS (Mavelikara) : I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. DEPUTY-SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Constitution of India."

The motion was adopted.

SHRI THAMPAN THOMAS : I introduce the Bill.

**CONSTITUTION (AMENDMENT)
BILL***

(Amendment of Tenth Schedule)

SHRI SHANTARAM NAIK (Panaji) : I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. DEPUTY-SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Constitution of India."

The motion was adopted.

SHRI SHANTARAM NAIK : I introduce the Bill.

15.09 hrs.

PROHIBITION OF SATI BILL

SHRIMATI BASAVARAJESWARI (Bellary) : I beg to move for leave to introduce a Bill to prohibit the practice of sati.

MR. DEPUTY-SPEAKER : The question is :

"That leave be granted to introduce a Bill to prohibit the practice of sati."

The motion was adopted.

SHRIMATI BASAVARAJESWARI : I introduce the Bill.

15.10 hrs.

**CONSTITUTION (AMENDMENT)
BILL**

(Amendment of Article 244 etc.)—Contd.

[English]

MR. DEPUTY-SPEAKER : The House shall now take up further consideration of the following motion moved by SHRI Piyus

Tiraky on the 28th August, 1987, namely :

"That the Bill further to amend the Constitution of India, be taken into consideration."

Shri Ram Pyare Panika to speak.

[Translation]

SHRI RAM PYARE PANIKA (Roberts-ganj) : Mr. Deputy-Speaker, Sir, though I do not support the Constitution (Amendment) Bill introduced by Shri Piyus Tiraky, yet I support the objective and the spirit with which he has brought forward this Bill. His objective is clear. He wants that there should be a discussion in the House on the problems facing the tribals in our country. A few days ago, the hon. Member, Shri Bhuria had also moved a similar resolution in this House and a discussion took place thereon. This is a fact that going by the conditions in which the tribals are living in the country today, there is a need to make special provision in this regard because the development of the tribals has not taken place at the pace it was expected even after 40 years of independence. There are a number of tribes in different States of the country, whether it is U.P., Bihar, Madhya Pradesh or any State in South, which have failed to get recognition under the Constitution. Besides, even in the case of those which are included in the Scheduled Tribes under the Constitution, the pace of development has been slow. The population of these tribes will cross the one crore figure after the proposed amendment Bill for rationalisation is brought forward by the Government and is passed. On the other hand the Government is not able to complete the developmental programmes due to some basic lacuna. What is needed today is that the administrative set up for the implementation of development programmes in the tribal areas should consist of such personnel who take interest in the welfare of Adivasis. What is happening today is that those officers who do not have any interest in the developmental work of the tribals are posted in the interior. They face difficulty to live there on a permanent basis and if at all they stay there, they are not able to solve the problems of Adivasis after touring their villages. Therefore, my suggestion is that a separate cadre should be created for the

proposed administrative set up for the tribal development whether the officers are deputed from I.A.S. or from P.C.S. It should be ensured that only those officers should be posted there who have some kind of interest in the development of tribals. The developmental programmes which are formulated for them do not cater to their needs because the officers who do have some feeling for them are not posted there. What is needed today is that their developmental work should be taken up by treating the Gram Panchayat as a unit. At present a huge amount of funds is being spent through the tribal sub-plan, but their development is not taking place in a balanced manner. The intention of the Central Government is to take up development by treating the remote villages as a unit. The hon. Finance Minister is present in the House and he has issued instructions to the banks that loans should be given to the remote areas, but it is surprising that the mentality of the bank officials has not yet changed. I.R.D.P. and other developmental programmes which provide for bank loans for development work are not at all effective. During his speech on the last Bill, whatever Shri Jain said is correct. The hon. Minister should take it seriously because the managements of the banks are busy in making money. I would request the hon. Finance Minister to listen to it because it is a very serious matter. What are the nationalised banks doing? They are making black money. The parties which advance loans manage to deposit money from various Government Undertakings in connivance with the banks. Such money amounting to Rs. 200-300 crores is in circulation and they are getting commission under the table through agents. The C.M.Ds. of the undertakings are making money and big industrialists are setting up mills by taking loans from the banks. Within a year or two, they declare their mills as sick. This is a vicious circle that is going on. The Government will have to formulate a policy to check it and set right the functioning of the banks. The Government has to decide as to what policy is to be evolved for remote areas, tribals and Harijans, flood affected areas and cyclone-prone areas. It is for the Government to ensure that the money of the banks actually reaches these areas.

It is the policy of the Government to give priority to the development of remote

[Shri Ram Pyare Panika]

areas. Instead of reaching these areas, the bank money is flowing to those elements who have declared a number of their industries as sick. Why have they declared their units as sick? To save money. After declaring their units as sick, they got capital from those very banks. Sir, this is a very peculiar situation. They come to us and say that if we could help them in getting Rs. 3 crore, deposited in the bank, so much money would be offered in lieu of that. What is all this going on? This is a very serious matter. This will have to be set right.

The hon. Minister will have to specify the names of the banks in which the money of the Undertakings is to be deposited. The question of selection of banks should be decided by the Government and not by the Undertakings. Besides, the Government will have to find out as to which of the Undertakings have transferred their money from one bank to the other during the last two years. When you do it, you will find that there is rampant corruption at the higher level.

At the same time, as long as the intention of the agencies associated with the development work in tribal areas is not good, the Government cannot achieve its objective of development.

Sir, the country is passing through an unprecedented drought. There is no doubt that the Central Government have formulated good programmes, but the decision of the Government to open fair price shops in remote and tribal areas and for the people working in factories has not been implemented. You have opened shops, but ration is not reaching those shops. The people there have to pay higher prices for the essential commodities. This you will have to look into.

15.17 hrs.

[SHRIMATI BASAVARAJESWARI in the Chair].

Today during the Question Hour it was being discussed as to what are the reasons for price hike but no definite reason could be given. An important reason for this is that the essential commodities which should be distributed through fair price shops do not reach the far flung areas. The shops are

not being opened according to the programme chalked out by the Government of India. The shops are being allotted to those who believe in exploiting the people.

Mr. Acharia, has been talking a lot about the allotment of shops to the poor but in his State the shops have been given only to comrades. The opponents cannot get shops. The same can be said about Andhra Pradesh. I have conducted a survey. This Rs. 2 scheme by Andhra Pradesh people is nothing.... (Interruptions)

Sir, an endeavour is being made to take political advantage of it. (Interruptions)

I want to tell that the country is passing through a severe drought as well as large scale flood and the opposition parties are taking undue advantage of this situation. During this national crisis they should not act like this and should cooperate with the people but instead of doing this they are trying to take political advantage.

Is it not a matter of pride that in spite of the severest drought of this century and floods, both of which have affected several States, not a single person has been allowed to die of starvation. In the 1940 Bengal famine 40 lakh people had died of hunger and that drought was not as severe as the present one. Sir, no one can say that the Central Government has discriminated against any State. The funds for the drought and flood relief have been distributed without discrimination. The funds have been distributed after studying and coordinating the reports received from the Central teams and the State Governments. I remember that till date no discrimination has been shown against any Chief Minister. But what I want to say is that the funds being provided are not being properly utilised. Without utilising those funds some of States come again to the Central Government for more funds. If they are really interested in development of tribals and backward people, then they should utilise the funds properly. When resources are required, certain States talk of Centre-State relations but when resources are made available, they forget their responsibility of providing these funds to the needy people. What I want to emphasise is that there is need to start special programmes for tribal and Harijan areas for which special funds should be provided. At the same time it is also

imperative that these funds should be utilised properly. If attention is paid towards this then the prices will also come down and shortage of commodities will also be lessened. If steps are taken to make available the commodities in proper manner to the eligible persons then their shortage will not be to that extent. In this connection every one should realise one's responsibility.

For the last 40 years we have been talking of education in the tribal areas but what is the position in regard to services. In the class-I II and III posts the representation of tribals is very less. In Government undertakings also you can see that in the Boards of Directors or on the posts of G.M. or in the executive class there is no person belonging to any Scheduled Caste or Scheduled Tribe. I can say this with surety about the NTC and the Coal India and same is the case in other undertakings also. Merely by making provisions in the Constitution that all will be given equal opportunities to progress our duty is not over. We should pay special attention towards education also which is a means to take advantage of such opportunities. There is need to expand further the Ashram system in the tribal areas which has been in vogue since the time of Shrimati Indira Gandhi. Navodaya Schools will not do there because the number of drop-outs there is quite large and only 1 or 2 per cent students reach the senior secondary or inter level. Just now one of our colleague from Orissa was telling that there are two colleges in his area but so far only 34 tribals have graduated from there. There is need to run special programmes to change this situation. Therefore, what is needed is to give free boarding, lodging, clothing and education in Ashram schools. All education facilities should be provided free. The directives of the Ministry of Welfare should also be implemented strictly and the officers not following the directives should be punished. Programmes for their upliftment in all the fields—economic, social and educational—should be started. Alongwith it, the Adivasis do not have the means to maintain their identity also. I thank Shri Rajiv Gandhi for opening certain Cultural Centres for the preservation of the culture and heritage of the backward people and Adivasis. This is the culture of India and in order to sustain it we will have to do two things. One is to uplift their lot with the help of modern means and second

is to pay attention to sustain the basics of the Indian Culture. For this Shri Rajiv Gandhi has endeavoured on the Government level but what is required is that every one should come forward to protect Adivasis. Even today Adivasis, particularly the labourers are being exploited not only by private sector, but also by Government agencies. Shri Bhardwaj and also Cabinet Ministers are sitting here. Therefore, I want to say that the Government will have to take the responsibility to ensure that the minimum wages fixed by the Labour Ministry are paid to the labourers. You should get a survey conducted in this regard also. (Interruptions)

[English]

MR. CHAIRMAN : Kindly wind up because by 3.45 PM, it should be over.

[Translation]

SHRI RAM PYARE PANIKA : Thanks for the laws framed for the Adivasis, the poor and the persons without means but full thanks will be showered when these are got implemented. To the State Governments also I would like to ask not to criticise the Centre and should try to implement them in the interest of the poor and the labourers. With these words I conclude.

[English]

DR. G. VIJAYA RAMA RAO (Siddipet) : Madam Chairman, my hon. colleague, Shri Priyus Tiraky has brought forward the amendment for Bill 105 of 1985. He wanted to create some autonomous districts and autonomous regions in the State of Madhya Pradesh, Orissa and Bihar. You must think over as to why he is so serious that he has come for amending the Bill. For the last 40 years, inspite of our continuous efforts, continuous implementation of 20-Point Programme for weaker sections, i.e., SCs and STs, in our country, the conditions of our tribal in India have not improved as you expect. Particularly, in some States, there are some areas where the tribal people are heavily concentrated and they are not developed. The population of tribals is more than 25 per cent in States like Orissa but the development as compared with other people is in a retrogressive fashion. We say in Parliament and in State Assemblies that we are giving number of facilities, schemes and programmes for the tribals but in fact,

[Dr. G. Vijaya Rama Rao]

the conditions, living and working conditions has not improved. In certain areas, the educational conditions, the literacy percentage has not improved after 40 years of independence. It is stagnant. Particularly, in Orissa and Madhya Pradesh, the literacy percentage has not improved. Among educated people, some people are in good jobs and some are in executive posts. Here they get educated only upto X Std. or upto primary standard where they cannot go for good Government Services. In some organisations, the other community people get jobs by producing pseudo-certificates and thus they snatch jobs of the tribals. In spite of several representations from the social organisations and the public representations, they could not take action on the pseudo-activities. They are enjoying the facilities which are meant for the tribal people.

Recently, the Committee on Welfare of the Scheduled Castes and Scheduled Tribes of Parliament visited Orissa State and went to some of the public sector organizations also. I was also with the Committee. The Committee got so many complaints against some of the officials, who could get good jobs by claiming themselves to be tribal people. Many years have passed and the management could not take any action against them and in spite of those complaints, they are still continuing in service. Management people say that they are following up the procedure in such cases, have given the complaints to CBI and local police, they are investigating the cases and after their enquiry, they will take action. Even after two, three or five years, the enquiry has not yet been completed and the persons concerned instead of getting reversion have got promotions and are continuing in service.

If you provide autonomy and provide for autonomous districts in Orissa, Madhya Pradesh or wherever tribal people are there, this type of activity can be prevented since the administration will be by the local people only. The present administration of such areas is not paying much attention to the welfare of the tribal people, they are more concerned with the welfare of the other people. The tribal people are not being paid any attention. Their needs and their grievances are not being attended by the these people. In view of all this, our hon. friend

has brought forward his Bill. If you agree to that, many of the difficulties of the tribal people will be over. In view of this, I support this Bill.

SHRI P. NAMGYAL (Ladakh) : Madam Chairman, my hon. friend Shri Piyus Tiraky has raised the question of 6th Schedule of the Constitution in which provisions have been made for the administration of autonomous districts in the tribal areas. Originally, this provision was applicable to only united Assam State, but with the bifurcation of this State into several other States like Arunachal Pradesh, Mizoram, Nagaland, Meghalaya etc., the provision of this 6th Schedule is also applicable to some of the States.

The other day, some friend from the opposition claimed that these provisions have been made on the insistence of the members sitting over there. I do not agree with that contention. At the same time, I do not want to enter into any argument about the merit or demerit of the 5th or 6th Schedule, or who has created this. This schedule was created by the framers of the Constitution long time back when the Constituent Assembly of our country was in session. We have every right to discuss it. If some clauses or Article of the Constitution is not in consonance with the present time, we should change it or we can amend it. Sir, I have seen the working of some of the autonomous districts of Assam, like Haflong and Diphu, sometime back when the Congress party was in power. I found that they have a very effective system of working and people are happy with the overall system. People at the grass root level can participate in the district administration and developmental activities. I am not aware of the position existing there at the moment.

The other day some of my friends made an allegation that the Bill of Shri Piyus Tiraky has been brought with an ulterior motive of creating Jharkhand State in the region. I think that they have such an opinion because he has covered only 3 States, i.e. Bihar, Madhya Pradesh and Orissa. Because of this, some of my friends feel that the motive of the Bill is not really meant for the benefit of tribal people. I personally feel that those States which have the tribal population and wherever they are in majority, the Sixth Schedule must apply there. Whether it is Assam, Meghalaya, Bihar,

Orissa, West Bengal, Arunachal Pradesh or for that matter any other State, there must be a uniform law. In some areas some articles or sections of the Constitution are not applicable. For instance, the Sixth Schedule is only applicable to the Assam State. My suggestion is that even in those States where the tribals are not in majority, the Sixth Schedule should be made applicable. It is required for the preservation of the cultural heritage of the tribals and for the economic development of the tribal population. But at the same time I feel that the Central Government should review the working of the Fifth and Sixth Schedule of the Constitution wherever they are in force now. I would also like to request the Government that any particular area or population which requires to be enlisted in the 5th and 6th Schedule should also be brought under the ambit of these Schedules so that more and more tribal people could have the benefit of the Fifth or Sixth Schedule of our Constitution.

Meanwhile, I request Shri Piyus Tiraky to withdraw his Bill. I also request the Government to bring forward a comprehensive Bill enlisting all those tribal population or areas which have not been included in the original list of Scheduled Tribes at the time of framing of our Constitution.

Madam, with these words, I thank you for giving me time to express my views.

[Translation]

SHRI VIRDHI CHANDER JAIN (Barmer) : Madam Chairman, the Constitution Amendment Bill, 1987 presented by Shri Piyus Tiraky seeks to create autonomous districts in Assam, Meghalaya and Tripura under clause (2) (b) of the Article 244 for the administration of the tribal areas. Autonomous districts should be created in Bihar, Madhya Pradesh and Orissa also because tribal areas exist in Madhya Pradesh and Bihar also. Similar is the position in Andhra Pradesh. In these Scheduled Tribes Areas, Advisory Councils have been formed and in Tripura and Meghalaya, District Councils have been constituted. District Councils have more powers whereas the Advisory Councils do not have the powers mentioned in the schedule. What I want to say is that the Advisory Councils have not been functioning

properly and their advice is not being paid heed to. Just now an hon. Member from Madhya Pradesh was speaking. He too was confirming this that the advice of the Advisory Council is not being heeded by the State Government there with the result that cultural traditions are getting a jolt. There are several similar questions involved. They have different conception of the forest law which is at variance with the conception of the State Government's forest law. They want this to be changed but this is not being done. District Councils have wide powers. This is for the Government to look into it. I am of the opinion that the Advisory Councils in Madhya Pradesh and Bihar... (Interruptions).

[English]

MR. CHAIRMAN : Just a minute, Mr. Jain. The time allotted for this Bill is over. Is it the consensus of this House that the time be extended ?

SEVERAL HON. MEMBERS : Yes Madam. It must be extended by another two hours.

SHRI BASUDEB ACHARIA (Bankura) : You may extend it by half an hour.

MR. CHAIRMAN : There are only two speakers left. After that the hon. Minister will reply. I think one hour is sufficient. Is it the consensus of the House to extend the time for this Bill by one hour.

SEVERAL HON. MEMBERS : Yes, Madam.

MR. CHAIRMAN : You may continue Mr. Jain.

[Translation]

SHRI VIRDHI CHANDER JAIN : I was submitting that the Advisory Councils in Bihar, Madhya Pradesh and Orissa should be given wide powers. If it is not done so, demands will be raised for setting up of District Councils. If the point raised by Shri Piyus Tiraky is not acceded to, then demand for District Councils is bound to be raised. Then the result will be that District Councils and Autonomous Districts will be constituted which may later on result in raising the demand for statehood. The pro-

[Shri Virdhi Chander Jain]

visions in the Constitution for Advisory Councils and District Advisory Councils were correct but their implementation has been faulty. Therefore, such a voice is being raised that wide powers should be given to the districts and Autonomous Councils should be set up.

In Jharkhand areas also a demand for granting statehood and formation of District Councils can be raised. To ensure that such demands are not raised, it is necessary that the Advisory Councils should function properly and their advice should be given full recognition.

In Adivasi areas the economic condition is still vulnerable. In the country Adivasis are the weakest economically. Next comes the turn of the people of the desert areas. In desert areas also, Adivasis and Bheels are economically very weak. When I studied in depth the reason for this, I found that they do not know any trade. They know only the job of cutting wood. The people belonging to the Scheduled Castes have learnt weaving, spinning and carpet making, etc. but the Scheduled Tribes people like Bheels do not know any trade except cutting wood. They are not imparted any other training also. The State Governments and the Central Government are not trying to engage them in any other occupation. It is very necessary that they should be engaged in other trades and should be imparted training so that they are able to become self-reliant.

The present situation is such that in Rajasthan the benefits of reservation for Adivasi areas have been taken by one community i.e. Mina community which is a community of well off agriculturists. People from that community are joining IAS and IPS. Among the Bheels who are real Adivasis not even a single person has joined IAS or IPS. Their position is quite weak. Therefore, it is necessary that their condition should be improved. They should be imparted education and training so that they may also join the above services and may progress.

There is the problem of drinking water. In the Adivasi desert area drinking water is not available and for sanitation purposes

also they do not get water. We have to solve such problems and have to improve their economic condition. They should be given right and should be enabled to become heads of Panchayat Samitis and Zila Parishads so that they are able to make progress. In Rajasthan and other places it has been observed that the Scheduled Castes get more rights as against the Scheduled Tribes. Attention should be paid towards this matter.

At present there is no Scheduled Tribe Minister of the Cabinet rank. The same is the position in the States. Today the number of the Scheduled Tribes is very large. They should be encouraged politically also so that they may progress. Adivasis were the first to establish themselves here. Therefore, it is our duty to improve their economic condition so that they may join the national mainstream.

The Bill presented by Shri Tiraky is a hindrance in the national unity. If we create separate States like Jharkhand, then demand for Gorakhaland will also become vociferous. This will create a danger of disintegration of the country. I, therefore, fully oppose this Bill.

[English]

SHRI K. PRADHANI (Nowrangpur) : Madam Chairperson : I am thankful that you have given me time at least at the fag end of the discussion. I have heard some of the Members speak ; they have branded this Bill as a Bill having some quality of disintegration. I do not agree with this argument. Mostly, I support the Bill, and partially I differ from the mover of the Bill. I want to explain why and how.

All the tribal areas are ruled by the Fifth and Sixth Schedules of the Constitution. The Fifth Schedule rules only the remaining portion of the scheduled areas having more than 50% of the tribal population, except Assam. The Sixth Schedule is applicable only to Assam, and the other smaller autonomous districts and States.

This Bill is nothing. The mover of the Bill has not suggested anything like the creation of a Pakistan or Khalistan. He has simply stated that we should give them some autonomy in their administration. My area is a tribal area having 56% of tribal

population, with another 14% of Scheduled Castes, altogether making it 70%. There is a Tribal Advisory Council in my State, like in other States. I was a member of that Tribal Advisory Council for the last four years. I had only one opportunity to sit in the meeting, and only two meetings were held in the last four years. The Chief Minister of every State is the Chairman of that Committee, whereas in autonomous districts or the Sixth Schedule areas, they have got District Councils, where the District Councils have more powers to look after their own administration. Here in the Fifth Schedule, the whole tribal area is put under one person, viz. the Chief Minister of that State. He is engaged in many other jobs. He has no time to look after this tribal problem only. So, it is not possible for him to attend to the day-to-day problems of the tribal people.

I have no time to read the whole of the 5th and 6th Schedules in the Constitution, but briefly I can say that in the 5th Schedule of the Constitution, the Tribal Advisory Council has got powers to deal only with matters regarding land, and exploitation of these tribals by moneylenders and nothing else; whereas under the 6th Schedule, they have been given more powers.

The Autonomous Councils can do and pass rules and regulations and laws regarding the management of any forest not being a reserved forest; regarding allotment and occupation and of setting part of land; the use of any canal water for the purpose of agriculture; the regulation of the practice of jhum or other forms of shifting cultivation; the establishments of village or town committees or councils and their powers; any other matter relating to village or town administration, including village or town police and public health and sanitation; the appointment or succession of Chiefs or Headmen; the inheritance of property; marriage and divorce; social customs.

They have also very important powers like administration of justice in autonomous districts and autonomous regions. I mean to say that there is a very large gap between the powers given to the Tribal Advisory Councils and the Autonomous Districts of a State. Some of our members have stated

that by creation of the autonomous State I mean autonomous district we are just encouraging disintegration of India. I am very sorry to say that we are acting within the Constitution of India; we are just giving them a little more powers to exercise to get the implementation of the programme already chalked out by our own Government and their development. For example, I can tell you how they want more powers. I am a Member of this House for the last 20 years. The Dhabar Commission suggested that the tribals are the people who are mostly exploited by others and exploitation is the main problem with the tribals. The excise policy was devised during the period of our late Prime Minister, Shrimati Indira Gandhi in the year 1974 suggesting that all the liquor shops would be abolished because it was found out by the Task Force that many of the tribal families had sold their landed properties after drinking. About 100-200 years ago, there were no non-tribals in a village where now some non-tribals have entered and grabbed their land and they are keeping them as servants—only after selling liquor and money lending. This is the main problem with the tribal people; and that is the only thing for which we fought with the Government and we got it done; and all the liquor shops are now abolished; but only on paper they are abolished; actually hundreds of liquor shops exist in these places. If I complain to the Collector, he will say he will go and find it out, if he goes personally he can prosecute hundreds of people; he has done it. But how can a Collector go several times to a village to find out such cases? It is not possible because the field officers are not cooperating with the administration to put an end to this illicit distillation. So also is the LAMPS. We have started large number of multipurpose cooperative societies in tribal areas to put an end to the money lending business, but what is the result? These middle men who are lending money, they have become Presidents of these LAMPS; they have misappropriated a lot of money and they have devoured all the money and they have become defunct. In my district, there are so many of them and most of them are running in loss. The money has been misappropriated; that is how these tribal people are being saved out of exploitation. If more powers are granted to these autonomous districts—I do not want a Jharkhand State; I do not agree

[Shri K. Pradhani]

with any suggestions with regard to Jharkhand—I want that more powers should be delegated to the autonomous districts where they are already in existence. Zila Parishad is already there. A District Development Committee is there. In every Panchayat Samiti there is a Chairman and he represents at the district level, but only difference is that the Collector presides over the meetings there; a Government officer preside. We have to obey to the orders and wishes of the Collectors. Even representatives of the people are neglected. Now when this autonomous district will come, some of the members of the Panchayat Samiti or MLAs or MPs will be the Chairmen of the Autonomous Districts.

There will be then three-tier Government, one at the district level, one at the State level and another at the village level. So, there is no question of disintegration. There will be an improvement in the administration of our tribal areas.

16.00 hrs.

What I differ from my friend is that he has given a list of only some districts of Orissa and some from Madhya Pradesh in the schedule. He has forgotten other parts of the country. Throughout the country, there are hundreds of tribal districts. All the tribal areas should be included in this schedule where there are tribal populations and they should have their own administration and police. Some tribal person should be chairman of that particular autonomous district so that he will look after the administration of the people and economic development of the people better. For example, regarding employment also, you do not believe me, that even in Class IV service where my district has to get a share of 75 per cent of the Tribal and Scheduled Caste people, now we find that the employment is less than 50 per cent. They say there are no suitable people. For Class IV, people with thumb impression qualification can discharge the duties.

DR. PHULRENU GUHA (Contai) : Even in West Bengal in some districts there are tribals.

SHRI K. PRADHANI : He has omitted not only West Bengal, but other districts also.

AN HON. MEMBER : He belongs to the Left Front Government. (*Interruptions*)

MR. CHAIRMAN : Please address the Chair.

SHRI K. PRADHANI : I have already given my points. I did not want to elaborate on this. Unless you create an autonomous district for tribals there can be no development. You cannot believe in any development. If you go on with the present system of Government there will be no development. For example, in our tribal areas all the officers come from coastal district who are not tribals. All officers including Ministers belong to non-tribals that come from coastal areas. Whatever complaint we have to lodge, we have to lodge only with the State Government. We have no time to go to the State Government, find out the Minister and get the grievances redressed. Unless you make a tribal person in charge of the district, decentralisation will not come and there will be no improvement in the administration of the tribal areas.

MR. CHAIRMAN : Shri Jujhar Singh.

[*Translation*]

SHRI JUJHAR SINGH (Jhalawar) : Madam Chairman, Sir, the intention behind the Bill brought before the House by Shri Piyus Tiraky, I think, is that justice should be meted out to the tribal areas because the advantages envisaged in the Constitution for them and the facilities which the Government wants to give them are not being fully provided to them. This is the feeling behind bringing this Bill, that is what I think and I will express my views on this Bill in this background.

In Rajasthan also there is a large number of tribals and I am of the view that they have not made the desired progress though the Government has spent a lot of money in this direction. They have not been benefited to the extent they should have been. Many hon. Members from Rajasthan have spoken before me. They too have enumerated the condition of the tribals of Rajasthan. I would also like to draw the attention of the hon. Minister towards this. There are several categories of the tribals. Certain tribals are quite affluent in the matter of education, agricul-

ture and social background but they too have been included in the list of tribals. When the question of giving advantages to the tribals comes, they are the people who take away all the advantages and the tribals who are really backward, who have no money, remain backward. Though the quota fixed for tribals in the services is filled but the persons who should benefit do not get benefited. That creates problems. In my constituency there is a small belt in which the number of non-tribals is more than the tribals. In my constituency there are about 50 thousand tribals. The peculiar position there is that there is not a single village which has 100 per cent tribal population or where majority consists of tribal population. These tribal villages are like colonies of big villages where majority of the people consists of well-to-do people and 30 to 40 per cent people belong to tribal communities who are very poor. It is very necessary to assist them. The peculiar situation that has arisen there is that whatever assistance is provided that goes to the affluent class. Therefore, the Government should pay special attention to the tribal mohallas. For them special efforts are required so that they may progress.

16.06 hrs.

[SHRI SOMNATH RATH *in the Chair*]

Another thing that I want to submit is that for the upliftment of the tribals it is very necessary that the officers and administrators should be dedicated. Merely appointing tribal officers in these areas will not help their upliftment. The most important thing is that those people should be posted in such areas who are really interested in the welfare of these people. I want to tell you that in my constituency though the S.D.M., S.D.O. and Tehsildar are tribals but when I asked them whether they were satisfied with their posting or not, majority of them told me that they were not satisfied because the area was quite backward and there was no arrangement for their children's education and also lodging facilities were not good.

[*English*]

We are not satisfied. A man who got a job, because he was a tribal, when he was posted to a tribal area, he felt that that is not a good posting and he does not want to

work in that area.

[*Translation*]

Therefore, my submission is that in tribal areas only those people should be posted who are interested in the welfare of these people and officers should not be posted there at random. Of course, you will be satisfied that you have appointed tribal officers in tribal areas but those officers will not be interested in their welfare and progress. In Rajasthan, the affluent tribals have got many advantages but the remaining most of the tribals have not been benefited. In my area, there is one Shahria tribe whom I represent. For the last 40 years not a single person among this tribe has gone above the level of a Patwari.

[*English*]

There is no Tahsildar. There is no Sub-Inspector.

[*Translation*]

No one amongst them has reached even upto the level of Kanungo. You have spent crores of rupees but you have not been able to produce an officer above the level of a Patwari. In Shahria tribe, there will be hardly 10 graduates but even they are not getting jobs. In this area funds have not been properly utilised. On the other hand, there are tribes which have produced dozens of IAS and IPS. I think there are not as many tribal IAS and IPS officers in one district as there are in the district of Sawai Madhopur. The tribes there are quite affluent and they take most of the reservation advantages given in Rajasthan. Therefore, these are things on which you have to think upon. I think this is the intention behind bringing forward this Bill that the provisions so far made by you should benefit the intended beneficiaries in real sense. For this efforts should be made. This may be done either by constituting Advisory Councils or District Councils but something should be done for tribals with the help of the existing provisions. The idea behind bringing forward this Bill is that whatever efforts have been made so far have not been satisfactory and you should make efforts towards this direction.

With these words, I thank you for giving me time to express my views.

[English]

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ) : I have listened with great care the speeches made by all the hon. Members on a very important matter. I call it important because it touches the most important part of India's culture and heritage represented by the tribals of this country. Unfortunately, they have not achieved much in education, health and economic development. The Constitution makes special provisions for their development. But what a manifestation of luck for them that they have not been able to come up economically to the extent they should have come.

The Mover of the Bill has a very clear idea that his places like Chhotanagpur, Santhal Parganas, Surguja District, Jashpur District, Sahadol District, Bilaspur District and other districts in the Schedule named by him in the Bill, are inhabited by the Adivasis and they deserve a special treatment. There is no going back on this demand. I am happy that Shri Manku Ramji, one of our hon. Members from the real Adivasi areas, spoke about the difficulties which the Adivasis are made to face, the exploitation they have to suffer at the hands of contractors, money-lenders and landlords and other such people who have no regard for their commitment to their brothers in the country, but their only mission in life seems to be money by fair or foul means. That is the concern of every one of us.

India will not progress unless these areas develop simultaneously with other areas. But you will appreciate also one thing that the Bill mainly thrusts in the proposed amendment to modify the existing provisions of the Sixth Schedule to introduce a concept of district councils and regional councils in the tribal areas of Bihar, Madhya Pradesh to be constituted into autonomous districts under paragraph 1 of the Sixth Schedule read with paragraph 20 of the same Schedule. This is the main thrust of the proposed amendment.

Sir, you will appreciate that the tribal

areas in our country are spread over, as was said by many speakers, to various parts of the country. The problem really lies almost in every State, in some part or the other, we have tribals in almost all the States. For example, in Rajasthan, Gujarat, Maharashtra, Madhya Pradesh—where they are in maximum number—Bihar, West Bengal and the whole of North-East, in all these areas we have the tribals. So, the Government has been making a very concerted efforts and most of the tribal areas, including the States in which the hon. mover of the Bill has insisted for formation of autonomous district, are covered by the Tribal Sub-Plan strategy. Most of these areas have been brought under the ITDA, MADA pockets, and Primitive Tribe Projects by the Sixth Plan. You will find that in Bihar alone, 14 ITDP and 40 MADA pockets ; in Madhya Pradesh, 42 ITDP and 64 MADA pockets ; and in Orissa, 21 ITDP and 45 MADA pockets were provided. You will also find that during the Fifth Plan, about Rs. 1,100 crores was invested for the tribal development schemes. This amount was raised to Rs. 5,500 crores during the Sixth Plan. Special Central Assistance rose from Rs. 190 crores to Rs. 486.15 crores during this period. The Central Ministries were involved in the tribal development programmes in the Fifth Plan and during the Sixth Plan, when about Rs. 700 crores was invested by these Ministries in the development programmes of the tribals. I have noticed that during the Seventh Plan, the Plan size has risen from the earlier allocations to Rs. 10,500 crores for tribal areas, which has been approved by the Planning Commission. The Special Central Assistance for the Seventh Plan is about Rs. 756 crores. So, this will all show that the tribals have an uppermost place in our mind and their development is the major concern of the country and sufficient funds are being allocated for their development. During the Sixth Plan and the first three years of the Seventh Plan, for the States of Bihar, Madhya Pradesh and Orissa, substantial amount has been earmarked for tribal areas within their jurisdiction. The Special Central Assistance in these States has also been linked and raised substantially. If I may give you the investment figures, they are as under :

Sixth Plan

State	State Plan (Rs.)	Special Central Assistance (Rs.)
Bihar	609.95 crores	69.26 crores
Madhya Pradesh	669.75 crores	137.44 crores
Orissa	539.74 crores	66.32 crores

In the Seventh Plan, in the first phase, in 1985-86, it is 194.13 crores for the State planning as against Rs. 19.64 crores for the previous year. Then in Madhya Pradesh it was Rs. 200.37 crores and the Central assistance was Rs. 39.69 crores. For Orissa, it is Rs. 138.47 crores and the Central assistance is Rs. 19.15 crores. It has increased over the next two years, that is, for 1986-87 and 1987-88. There is a gradual rise in the State Plan as well as in the Central Plan for the tribal areas. According to the statistics available with me, about 40 lakh tribal families were economically assisted during the Sixth Plan through income generating schemes in the country. During the Seventh Plan, a target of 40 lakh families with great emphasis on crossing the poverty line has also been fixed. The figures relating to the other 3 States are as follows.

In Bihar, the Sixth Plan achievement was 3.99 lakhs and for the Seventh Plan, the target is 4.59 lakhs. For Madhya Pradesh, in the Sixth Plan it was 8.44 lakhs and for the Seventh Plan the target is 9.21 lakhs and for Orissa, for the Sixth Plan it was 4.90 lakhs and for the Seventh Plan the target is 4.15 lakhs.

The position indicated above shows that the tribal population in the country has been receiving adequate attention in the developmental process of the country. The States mentioned in the Bill to which the amendment relates have also earmarked substantial funds for their development. The question of separate autonomous status for districts or regions should arise where the population is not adequately involved in the local administration. In all these States, however, integrated tribal development projects having project implementation and review committees, tribal MPs and other local representatives are associated. Scheduled areas of each

one of these districts are governed by the provisions of the Fifth Schedule of the Constitution to which Tribal Advisory Councils have already been established.

In the State of Bihar, there are three statutory autonomous regional development authorities functioning in Chota Nagpur and Santhal Pargana areas. The Chief Minister as the Chairman of the authorities and Regional Development Commissioner of Ranchi have the exclusive jurisdiction over the tribal matters. He is the Secretary of these authorities and the State Government, I am told, has established a mini-secretariat in Ranchi in the heart of tribal areas with the Development Commissioner as its head to look after the tribal matters. There may be problems for the Adivasis on account of some officers here and there, not really being devoted to the work, but I quite appreciate and I personally feel that some officers who are dedicated to devote much more attention to the problems of the Adivasis as part of their duty, while others not so committed may not put in their heart and soul as they should. In all these matters, wherever the question of implementation arises, whether it is a tribal problem, whether of Scheduled Caste and Scheduled Tribes, the individuals do matter and that is, of course, a major concern that we should give some attention to the executive part of these projects. Whether they are through the Councils like the District Councils or Regional Councils, the question is that it is national concern.

And targets have been achieved, most of the significant part of these targets, and I feel personally that this effort needs to be continued not only in these three areas which have been mentioned in the proposed Amendment Bill, but in all parts of the Adivasi area. Because it will not raise the standards of living of the Adivasis, their education, their health and their future prosperity, then a

[Shri H.R. Bhardwaj]

large part of the country's population will remain frustrated and then, of course, the cries like the one mentioned by the earlier speakers are bound to be raised. So, we need to give more attention to these problems and we personally feel that the participation of the tribals in the economic development of the country, in the Administration, in education and in other walks of life needs to be encouraged more and more. India today, Sir, is having a planned development and now we have to travel a distance where the things have started moving in the right direction and if you see into it—I have travelled most of the parts mentioned in this Bill, in Madhya Pradesh, my home State, and I find a tremendous amount being given to the development of tribal areas in Sahadol, Sarguja and other districts.

SHRI AJAY MUSHRAN (Jabalpur) : Sir, there is one point. Wherever there is a complete district which is dominated by the tribals, there the schemes worked very effectively and forcefully, there is no doubt. But there are some districts where there are pockets or blocks and even panchayat level pockets and there also there are Adivasis who are not being looked after and are not even being covered by your schemes. It is no fault of the State Government whether it is Madhya Pradesh or Bihar or Orissa. My experience has been that these blocks and these panchayats where there are 100 per cent tribals, they must get the same benefits of the economic thrust given by the Central Government because when your scheme percolates down, then only the State Governments move. So, will you like to throw some light on this that you will consider that those blocks and those panchayats where 100 per cent tribals....

(Interruptions)

MR. CHAIRMAN : Not 100 per cent.

(Interruptions)

SHRI AJAY MUSHRAN : And the unit should not be the district only. In some exceptional cases the block should be a unit for giving your projects and benefits of development.

MR. CHAIRMAN : In the panchayats, not cent per cent Adivasis are there. Only 50 per cent or more than 50 per cent.

SHRI AJAY MUSHRAN : Let us take 75 per cent to 80 per cent.

MR. CHAIRMAN : Fifty per cent or more than fifty per cent.

(Interruptions)

SHRI SATYAGOPAL MISRA (Tamluk) : You do not know about Madhya Pradesh.. (Interruptions). When the last panchayat elections were held....

(Interruptions)*

MR. CHAIRMAN : I will not go on record.

(Interruptions)**

MR. CHAIRMAN : Hon. Minister, the hon. Member has raised a pertinent point. That is, in certain States there are gram panchayats where the Adivasis are in majority, but the schemes are not adopted in those gram panchayats and the Adivasis are not getting the benefit of all the Central schemes. Will the Government take steps to see that in such gram panchayats in different States and different districts where the Adivasis are in majority these things are made applicable, not necessarily to the Adivasi districts only? That is the Question.

SHRI H.R. BHARDWAJ : I followed when the hon. Member...

(Interruptions)

MR. CHAIRMAN : Let us hear the Minister.

SHRI H.R. BHARDWAJ : I have followed what the honourable Lt. Col. Mushran has spoken. I know, Sir, I have almost toured every Adivasi district of this country and I am aware that the whole district is not Adivasi, whether it is at the panchayat level or at the taluka level. The whole district is not of Adivasis. Those people are not served with those things, I know it.

I know it. But the question is, the planning as has been done today, whether it is for industrialisation or for others, we have perhaps taken district as a unit. That is the programme. I can only convey it to the Welfare Minister or the Planning Minister.

SHRI NARAYAN CHOUBEY (Midnapore) : With your recommendation.

SHRI AJAY MUSHRAN : These are Government Projects and he is the Government.

SHRI H.R. BHARDWAJ : When you were the Lt. Colonel, you were not the C-in-C. I am speaking on this Bill technically because it is a Constitution (Amendment) Bill. Otherwise, this whole thing needs to be tackled by the Welfare Minister or the Planning Minister. (*Interruptions*)

MR. CHAIRMAN : Let us hear the Minister. Please proceed.

DR. PHULRENU GUHA : Will the Minister kindly convey our intention to the concerned Minister ?

SHRI H.R. BHARDWAJ : I am now trying to answer everything that has been said by the hon. Members and perhaps I am much more aware of the problems than any of the hon. Members because as a social worker, I have worked myself in the tribal areas.

SHRI NARAYAN CHOUBEY : You were a lawyer.

SHRI H.R. BHARDWAJ : I have become a lawyer after working almost in tribal areas. I am not a person who was born in Delhi. (*Interruptions*)

We have a lot of time to talk to them today.

MR. CHAIRMAN : As a lawyer, you are expected to know more.

SHRI H.R. BHARDWAJ : Actually, perhaps they are not aware of it. Even now as a Minister, I do not go to Bombay or Calcutta or Madras. I go to tribal areas in Lok Adalats and my hobby of meeting these people continues. (*Interruptions*). I am trying to understand what is at their heart. You please let me know, if you can suggest something.

The suggestion is, not only the district as a unit should get this programme, but it should be given at the Panchayat level also if there is tribal belt and that should be covered. It is a good and wholesome suggestion and I welcome it. Whatever is possible within my wing, I will take it up with my full support.

My main emphasis was that the mover of the Bill has to be congratulated because it is, here, the problems have to be highlighted more and more. You may achieve your object in one Bill or in another discussion or third discussion. The question is your concern is real and genuine and I appreciate and reciprocate it.

Therefore, as has been pointed out by the various Members, wherever we have tribal belts in the country, our first commitment should be that they should be given a better deal. That is the real proposition. It is not only in the districts but wherever they have pockets, it should be covered. This Bill does not cover Rajasthan tribal area Bhil and Adivasi areas. One Member has spoken about Meenas in Sawai Madhopur. I have travelled extensively in Sawai Madhopur and it is right that they are the tribals who have progressed much more than other tribals. But the question is, they also have the activities of tribals. Sometime back, Meena tribals had been in the forefront in Rajasthan even when it was a princely State. Most of them were used as security people by Maharajas those days and they were the most reliable people. I know, in Jaipur State, all the security guards were tribal Meenas in the palace, in the treasury and outside. And the rulers relied more on Meenas than anybody else. They have a very fine and distinct culture of faithfulness, obedience and something like a unique character which other tribals may not have. The king would not rely on his own son but would rely on a guard who was a Meena. That was the tradition of Meenas in Rajasthan.

I am proud to say about them—whether you go to the tribals in North East or Madhya Pradesh or Jhabua or Dhar, where I have gone half a dozen times—that they are the most truthful persons. That is why, I am sincere about their requirements that they should get better deal immediately so that they should come up. They are innocent

[Shri H.R. Bhardwaj]

and truthful people and something has to be done to save them from the exploitation of the money-lenders, land-lords, Kulaks and what nots.

Th's a very wholesome suggestion. This is a very good and well-intentioned spirit. I do not accept the accusation that the hon. Member is motivated by self-interest because he seems to have a genuine concern for the tribals. I have noted down all the points. I have got the copies of all the speeches that Members have delivered. We will further discuss if something can be done at all. We will do all this. None-the-less, I would say that because this Bill does not serve any major purpose so far as the tribals as a whole are concerned, I would only request the hon. Member kindly to withdraw this amendment because such a Constitutional amendment is not going to serve the real purpose or intention behind the Bill.

SHRI PIYUS TIRAKY (Alipurduars) : I have great love for Mr. Bhardwaj. But what he said now in his reply is very regrettable. There is nothing wrong in what I have asked. There is already the VI Schedule in the Constitution. Nothing extra-constitutional is asked. It is already there in the Sixth Schedule. A number of tribal areas are included in the Sixth Schedule already. I have already told the Government that the tribals are not the second-class citizens. They are the inhabitants and the original people of this country. They should not be treated in a piece-meal manner. They are present in every State. Our Constitution already provided the Scheduled areas for them. They are already mentioned in the Constitution. Therefore, what is the difficulty for the Government in coming forward and in giving them autonomous region or district ? It is already provided in the Constitution. It means you are indirectly not obeying the Constitution which you have made. The forefathers of our Constitution were thinking of these tribal people and of their political rights. Equality does not mean that one should lag behind for centuries together. Equality, integrity and solidarity do not mean that one community should be deprived of its political rights all the time. You are not obeying your Constitution. You are not sincere in giving the tribals their rights. The tribals do not dare to assert their own

rights today because of their weakness. Nobody from the ruling party excepting a few dare speak for the tribals and take part in this debate. This is the condition of Parliament today. The tribal members of Parliament are bound to support their boss in the Parliament because the boss finances them in today's politics. Under these circumstances, democracy cannot work.

You know that movement has already begun and you have put in the tribal area 40 divisions of military. This is because you have political power. You want to curb the peaceful movement of the tribals. Do you want to see blood-shed ? Your Government only understands the language of violence. It has been understood in the case of Nagaland and in the case of other States in the Eastern region. You have blood-shed in Bihar, military killings and many other injustices have already been done.

You have succeeded in depriving the tribals also of their rights. The tribals want to live as Indians. They want to march forward along with other people. They should not lag behind. Equal rights mean equality and integrity. Some hon. Members, on the other side have said that integrity and solidarity of India have been challenged in this Bill. I do not understand this. I am only speaking about the VI Schedule which is already in the Constitution. How would it mean that I am challenging the unity and integrity of India ? If someone expresses his grievances, wants to keep his culture and if some community wants to preserve and improve its language, how can it be said that he is and such a community is challenging the unity and integrity of India or something like that ? Everybody has agreed that a lot of money has already been spent for the development of the tribals but the work has not been done properly. The condition of the tribals has been deteriorating. I would like to remind you in this connection that in the tea gardens they have been working for the last hundred years. People have been taken from Chotanagpur, Santhal Parganas, Madhya Pradesh and Orissa. They were allured to work in the tea gardens. But, what are the conditions that exist there till now ? Even after hundred years, they still remain as labourers. Not a single man has become a Manager, Proprietor or even a Head Clerk. What sort of thing is going on

in India ? You want to maintain solidarity, you want to keep the unity and integrity of India and all the people must love each other. Do you mean that the tribals should remain as servants ? Do you think that they will serve you by doing all sorts of difficult jobs ? Don't they have the right to rule ? Dy you want them to be deprived of their opportunity to take part in the decision-making process ? Can't they rule for themselves ? Can't they make law for themselves even in the tribal areas ? I am pained to say that your answer is very vague. It is against the wishes of the tribals of India. You have already gone through this matter. You are a lawyer. You very well understand the law. The injustice that has been done to the tribal people in the tribal areas is not unknown to you. You could have atleast said that some comprehensive Bill is coming before this House from the Government-side. I would be very happy to have heard that. But you have not mentioned anything about it. You could have promised that all the lands that have gone to the non-tribals in the tribal areas must be taken back within a year or so. That would have proved that there is some good intention in your mind on those lines. You could have also promised that all the tribals who have been displaced due to some development projects would be settled immediately ; those who have been displaced would be provided with some jobs and settled. You have not said anything at all on these lines. You think that you can do as you like and very nicely convince the tribal people. I would like to say here that they are not the second class citizens. They have got the right to enter politics. They have the right to say certain things. But their interests are not served here. The Constitution-makers have very rightly provided the Sixth Schedule to safeguard the interests of the tribals. That right has already been there. So, what is the difficulty to implement this ? Today, in the Chotanagpur area, which is the tribal-belt, a movement has started. To contain that movement, about 40 battalions of security personnel have been placed there. 500 people including the leaders were arrested. You could have made them understand the situation. But the Bihar Government did not do like that. The situation is being aggravated. You are spoiling the situation there. That would lead to great repercussions among the tribals who are living in India. It is a right thing that they have not

gone out of Constitution. It is already there. Some sort of sympathy should have been given from the side of the Union Government.

Sir, yesterday and day before and many a time, we have spoken about the tribal development in our country. But all the time Government have been assuring to give more money and it just tries to see that the tribal development programmes are expedited. We, the tribal people have been hoping for the past 40 years that this Government of our country may come some day and see that equal rights are given to these people. But in spite of all these things, knowingly, they are trying to disturb the tribal areas. What has the Bihar Government done ? Ranchi has been divided into three or four districts. Five districts have been divided into 15 districts. What is the reason ? There is something behind that. The tribal land has been acquired to have a district. Individually, tribal land cannot be acquired but if the Government wants, it can acquire for its own purpose. They are putting non-tribals outsiders in every district so that tribals may not claim majority. Hence, they cannot demand for autonomous districts or autonomous regions. How can the tribal people have faith in such a Government which is always trying to exploit them ?

As regards reservation in jobs and other things, most of the Members have spoken many times about the reservation for Scheduled Castes, Scheduled Tribes etc. What happened to all those assurances given by the Government ? Nothing has so far been done. My friend and everybody else who has taken part in the discussion have directly or indirectly supported that the tribal people's scheduled area must be brought into the Sixth Schedule not in piecemeal for Bihar and Orissa alone but for the entire India wherever there is a scheduled area.

DR. J.S. RAJHANS (Jhanjharpur) : Nobody has supported

SHRI PIYUS TIRAKY : For your information, there are scheduled areas in Bihar, Assam, Orissa, Madhya Pradesh, Andhra Pradesh, Gujarat, Himachal Pradesh, Tamil Nadu and Tripura. Somebody has also remarked that West Bengal has not been mentioned as I come from West Bengal. But for your information, there are no scheduled

[Shri Piyus Tiraky]

areas in West Bengal.

(Interruptions)

SHRI H.R. BHARDWAJ : I have seen rampant poverty in West Bengal as a whole. (Interruptions).

Everyone is almost like a tribal in West Bengal.

(Interruptions.)

MR. CHAIRMAN : Please proceed.

SHRI PIYUS TIRAKY : Somebody has suggested that the tribals must be given the posts of IAS, IPS and Governor. We have got a Secretary who does not speak. He is the one who does not speak at all because all the powers are vested in you, the politicians. He may be a qualified person, he may be an IPS Officer ; but the power remains with you. The Scheduled Area must be ruled by the tribals themselves. Nobody should interfere there for purposes of exploitation. This is the demand of the Constitution itself and this is my demand also. The Constitution demands that the Sixth Schedule should be applied to all the Scheduled Areas in the country, which I have already mentioned.

We, the tribals, do not want that we should be spoon-fed. Why don't you ask the tribals to have their own Government, to try to stand on their own legs wherever there is a Scheduled Area earmarked in the Constitution itself ? What is the difficulty ? The difficulty is that you are not faithful to the Constitution at all and to the tribals. Otherwise you could have already done it. You should not wait for a blood-shed.

I demand that those who have been arrested should be released immediately. All the lands acquired alienating the tribals should be restored to them. In Orissa itself two thousand cases of land snatching from the tribals have been hanging over ; that should be immediately returned to the tribals. In Bihar, Madhya Pradesh, Rajasthan and in all the other States that I have already mentioned, whatever land in the tribal regions they had before independence must be returned to the tribals. This is my demand.

This is a Constitutional Bill. Unless I

get some assurance from the Minister or from the Government that a comprehensive Bill is coming to cover all the Scheduled Areas, I demand a division.

SHRI H.R. BHARDWAJ : I cannot give that assurance.

MR. CHAIRMAN : You have already spoken.

SHRI H.R. BHARDWAJ : I want to clarify certain things. I know that he is a very revolutionary person—he may speak something and may not mean that. He has covered various points which are not covered in the Bill. I have told him that this is a matter which is not to be covered by a Private Member. He has conveyed it and I have said that I will pass it on to the Government. When we are all sincere, we will see what we can do on this matter to cover various areas.

SHRI PIYUS TIRAKY : You are a part of the Government. To which Government will you pass it on ?

SHRI H.R. BHARDWAJ : That type of an assurance is involuntary if he is sincere to his cause. He has given some very important points about people arrested, etc. When he moves a Private Members' Bill, he should not take an attitude of this type. We only try to pinpoint the attention of the Government on issues which are very very essential. His objective has been achieved when he has said that the whole House has supported his feelings.

This is a Constitutional matter and I cannot give an assurance. But I can assure him that I appreciate his feelings and I am going to convey it to the relevant quarters that the tribals should be given a better deal than what they are getting today, and that is everybody's desire.

SHRI PIYUS TIRAKY : I would like to know whether any comprehensive Bill is coming in future or not.

SHRI H.R. BHARDWAJ : How can I say that ? I have told him that I will take up all his points.

(Interruptions)

SHRI PIYUS TIRAKY : So, you are not able to speak. Who is incharge of this.

SHRI H.R. BHARDWAJ : I do not think we need to enter into an argument. I have your speeches and also the speeches of other Members who have spoken and those matters which deserve the attention of the Government immediately will be taken up. You have suggested only 4-5 districts of one Province. If you want Adivasis or Tribals as a whole should get benefit then I will have to go through the speeches of other Members also.

SHRI PIYUS TIRAKY : By what time ? Within a week there should be a meeting by the Prime Minister.

SHRI H.R. BHARDWAJ : I cannot say this. You are not realising what you are saying. I am saying I have your speeches with me. It is Private Members' Bill. Nothing is going to be given or taken by you through this Bill. It is only your feeling for the tribals. If you are sincere then it has to be conveyed to the Government. That is the only method.

(Interruptions)

MR. CHAIRMAN : Enough of discussion has already taken place. Mr. Tiraky, are you going to withdraw it ?

SHRI PIYUS TIRAKY : No. I am

determined. I should not wait for another 40 years. I want division.

MR. CHAIRMAN : Before I put the motion for consideration to the vote of the House, this being a Constitutional Amendment Bill voting has to be done by Division. Let the lobbies be cleared.

17.00 hrs.

Now the lobbies have been cleared.

The question is :

"That the Bill further to amend the Constitution of India, be taken into consideration."

The Lok Sabha divided.

MR. CHAIRMAN : The result of the Division indicates that there is no quorum in the House. The Division is postponed to the next Private Members' Bill day. The House stands adjourned for want of quorum to re-assemble on Monday, the 23rd November, 1987 at 11.00 A.M.

17.06 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Monday, November 23, 1987/Agrahayana 2, 1909 (Saka).